

No. 29,990

Saturday July 26 1986

UK 40p U.S.A. \$1.00 Canada C\$1.00 Bermuda \$1.50



WORLD NEWS

Craxi plan to end Rome crisis

Italy's Socalist Party leader Bettino Craxi yesterday told President Cossiga that a compromise had been reached to end Italy's government crisis.

The deal, between the Socialists and the Christian Democrats, involves Mr Craxi continuing in office until next spring. A Christian Democrat will then take over until June 1988, when the present parlia-

A meeting of leaders of the five parties in the last coalition will discuss the form of the new overnment on Tuesday, and it ; is expected to go to parliament for approval between August 6 and 9. Page 2

Sikhs kill 14

A new wave of violence in India's Punjab state is feared after Sikh gunmen took Hindus from a bus, killing 14 of them. and wounding eight. Page 3

50 charged over drugs More than 50 people were charged with drugs and arms offences following a police raid in Brixton, south London,

Newspapers lose case

The Guardian and Observer newspapers lost a claim in the Appeal Court to remove a High Court ban on publishing allegations about MI5 made by former officer Peter Wright.

UK poverty grows

Government figures showed 8.8m people living on or below the poverty line, up from 5.9m

US rich getting richer

About 0.5 per cent of US families owned 35 per cent of the country's wealth, up from 25 per cent 20 years ago, said the White House. Page 12

Riviera forest fires

Fires destroyed homes and thousands of acres of forest and killed one person near Nice on the French Riviera. Arson is suspected. Page 2

Basques attack court The French Basque separatist

movement Iparretarrak said it carried out an attack on a Bayonne court house, near the Spanish border, in which a riet policeman was hurt. Page 2

Bush heads for Mideast

US Vice President George Bush was leaving last night for Israel. Jordan and Egypt, to reassert US influence in the area. Page 2

Thatcher accused

A "nod, wink or instruction" controversial leaking of a confidential letter at the height of the Westland crisis. MP Tam Dalyell claimed, Page 5; Ghost in the machine, Page 9

Security cash sought The Government is proposing that public funds be used to pay for anti-terrorist security

arrangements at political party

Hunt for strangler

Detectives hunting the "Stockwe'll strangler," thought to have killed eight old people in London, asked French police for heir report on the deaths of \$.32 old women in Paris.

New Zealand fight back

New Zealand. 5 for 2 at one stage, were 127 for 2 (Edgar 52 n.o.) AL Crowe 52 n.o.) after Lord's. England made 307 for 9 (Hadlee 6 for 80).

Not with a bang

East German scientists have developed a silent explosive, for use in demolition, the official

BUSINESS SUMMARY

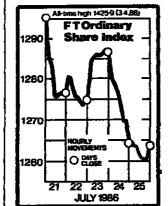
Ministers seek pledge by Guinness

THE Trade and Industry Department is in talks with Guinness which may lead to the company issuing a statement next week about its plans.

Ministers are pressing the brewing and retailing group to promise that it will fulfil undertakings, made during its takeover of Distillers, that it would preserve jobs in Scotland and hase the combined group's headquarters there. Page

UK's visible trade halance remained in deficit last month as exports and imports fell, said the Trade and Industry Department. Back Page

EQUITIES trading was subdued, with investment confidence low at the end of a week dominated by political



uncertainty. The FT Ordinary Share Index closed 0.5 lower at 1.263.7, giving a fall of 31.7 over the past five sessions.

JONES Industrial Average ended the week 32.06 points higher after rising 18.42 vesterday to 1,810.04 on optimistic economic comments from

BRITISH GAS is to be privatised in the second half of November, said Energy Secretary Peter Walker. It will be the most ambitious sale of shares attempted. Page 4

SAUL STEINBERG, who bought out the public shareholders in his master company, Reliance insurance group, four years ago, plans to offer a third of the business to investors. The deal could earn him more than \$70m (£47.2m). Back Page

JEFFERSON Smurfit Corpora-US arm packaging group, is taking over Container Corporation of America in a \$1.16bn (£782m) deal which will double its US business. Back Page

semiconductor makers accused Japanese competitors of escalating their dumping of memory chips in the US in an attempt to undermine trade negotiations. Back Page

INLAND REVENUE staff resignations have soared over the past two years, disrupting business, says the organisation's

annual report. Back Page PERU suspended bank sales of US dollars until July 30 amid

speculation that it might devalue its currency or impose fresh exchange controls.

BA said the lower cost of aviation fuel would be unlikely to lead to a cut in air fares. Page 6

PLASTICS processors were criticised by the National Economic Development Office for poor return on capital. Page 5 NOMURA International, London arm of the Japanese

securities group, appointed Sir Douglas Wass, former joint head of the Civil Service, as its non-executive chairman.

LLOYDS BANK reported firsthalf taxable earnings of £335m. The 27 per cent rise was in line with the bank's forecasts. Page 10; Lex. Back Page

ADN news agency said. Put in bles in stone, it expands to shatter the material.

BERRY TRUST rejected an holes in stone, it expands to as "nonsensical." Page 10

MARKETS

DOLLAR
New York:
DM 2.1525 (2.138)
FFr 6.9625 (6.9065)
SFr 1.7355 (1.725)
Y158.35 (156.55)
London:

DM 2.145 (2.1365) FFr 6.539 (6.905) SFr 1.732 (1.724) Y157.6 (156.6) Dollar index 113.4 (112.7) Tokyo ctose Y157.1

US CLOSING RATES

Fed Funds 63% (6%) 2-month Treasury Bills: yield: 5.82% Long Bond: 9731 (25%) yield: 7.42% (7.39)

New York: Comex August \$348.2 (\$349.3) London: \$349.75 (\$348.75)

STERLING New York \$1.4785 (1.4915) London \$1.483 (1.494) DM 3.19 (3.1925) FFr 10.29 (10.315) SFr 2.5675 (2.575)

Sterling index 73.0 (72.8) LONDON MONEY 3-month interbank: closing rate 97.1% (same) NORTH SEA OIL

Brent 15-day August \$8.85 (\$8.95) STOCK INDICES

FT Ord 1,263.7 (.-0.5) FT-A All Share 767.0 (-0.4%) FT-SE 100 1.545.8 (-1.9) FT-A long gift yield index: High coupon 9.52 (9.54)

New York: DJ Ind Av 1,810.04 (+18.42) Tokyo Nikkei 18,050.59 (+24.35)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch. 20: Belgium BFr. 45: Denmark DKr. 8: France FFr. 6; W. Germany DM 2.27: Intland 60o: Italy L1,500: Malta 30o: Netherlands Fr. 2.75: Norvey NKr. 7.60: Portugal Esc. 50: Spain Pta 125: Sweden SKr. 7.00: Switzerland SFr. 2.20.

More Commonwealth meetings envisaged on S Africa sanctions

BY MICHAEL HOLMAN IN LONDON AND ROBERT MAUTHNER IN PRETORIA

THE SEVEN Commonwealth leaders due to meet in London next month to discuss South Africa may hold a further round of talks in October 1f they fail to agree on new sanc-tions against South Africa.

Should Mrs Thatcher maintain her stand against fresh measures at this second meeting, an extraordinary session of the full Commonwealth is likely to take place, possibly later in

This timetable would give Mrs Thatcher the opportunity to lead the co-ordination of the Commonwealth's strategy with the European Community's South African peace mission, led by Sir Geoffrey Howe, the Foreign Secretary. He is due to report back to the com-munity on the outcome of his mission by the end of

Equally important, it would fresh action. help defuse the tension at the Commonwealth meeting of the Canada, India, Zambia and Zimbabwe, due to start on August 3.

Dr Kenneth Kaunda, President of Zambia, has threatened against South Africa, drawn up Security Council, is understood

The US Administration has appointed a black man, Mr Terence Todman, to be ambassador to South Africa, according to press reports. Nancy Dunne writes from Washington. Mr Todman, ambassador to Denmark, is the most senior black in the foreign

The Administration has been seeking a black for the Pretoria post so as to send a message on apartheid and to block sanctions moves in

by Commonwealth leaders at their summit in Nassau last October.

The Prime Minister is likely to insist that the community's mission should be allowed to run its course before she takes

The other six participants in the meeting are expected to heads of government of seek agreement, at least in Australia, the Bahamas, Britain, principle, that the Nassau package of measures, possibly strengthened by a call for a ban on the import of South African coal and steel, should form the basis of a United to leave the Commonwealth if Nations resolution making such Mrs Thatcher does not support sanctions mandatory. Australia, a package of new measures currently a member of the

to be willing to propose such. resolution. There is little evidence that Mrs Thatcher is prepared to make any significent concessions on sanctions before next month's meeting in London. She would, however, find her position more difficult to argue position more dimetir to argue at a second meeting of the seven, given the growing likeli-hood that Sir Geoffrey's mission will end in failure. The sequence of meetings could be disrupted by Nigeria, however. The military govern-

however. The military govern-ment of President Ibrahim Babangida, which initiated the boycott of the Commonwealth Games in Edinburgh, may press for an earlier resolution of the sanctions issue even though it will not be directly represented

at the August meeting.
The White House announced yesterday that Dr Chester Crocker, the US Assistant Secretary of State for African Affairs will visit London next week for consultations on South Africa policy with EEC leaders. Britain's Foreign Secretary, now in South Africa on his

second visit to the region, has already run into difficulties. Neither President P W Botha South Africa, whom Sir Continued on Back Page

More multi-racial schools,

Britoil dividend halved in gloom over prospects

BRITOIL, the UK's largest cent reduction announced in independent oil company, upset shareholders yesterday by halving its interim dividend and issuing a grim statement about prospects for the rest of the year. Its shares tumbled 26p to

In the six months to the end of June, the company made net profits after tax of £34.5m, 62 per cent lower than the fig. 4m in the same period last year. It warned: "If the present price of oil persists throughout the second half of the year, no profit will be made for the present price of oil persists." for that period."

Britoil is the first large oil company to publish first-half results showing the effect of the collapse in oil prices. While the fall in interim profits was no worse than analysts expected. the dividend cut from 4p to 2n and the prospect of secondhalf losses depressed the whole oil exploration sector on the

stock market. In the light of Britoil's results, the City is waiting with some trepidation for results from fellow independents, Enterprise Oil and Lasmo.

During the first half, the average sterling price Britoil received for its oil was £11.53 barrel, almost exactly half the 1985 average of £22.71. The company warned that at such levels it might have to make considerable write-offs against existing North Sea exploration costs and overseas assets, which

to go ahead were likely to be delayed . In spite of a modest rise in oil and gas production, turnover for the six months fell to £546.1m. from £968.1m, while the fall in pre-tax profits was even greater, down 71 per cent to £105.1m.

March might be necessary

Several projects expected then

The reduction was almost en-tirely because of the fail in oil prices and occurred after a lower write-off of exploration costs of £78.4m (£83.1m) and after foreign exchange gains of £3.1m (loss £9.6m).

As a result of the drop in operating profits, provision for petroleum revenue taxes fell from £197.7m last year to £16.7m, while corporation tax fell from £75.6m to £53.9m. Cash-flow also deteriorated

sharply to a deficit of £123.2m (£66.4m) which was funded by short-term borrowings. The cut in Britoil's explora-

tion budget was not reflected in its activity during the first half. The company participated in 21 wells, two more than during the first six months of last year, of which 20 were offshore and one onshore. In the first round of UK onshore licensing, Britoil was awarded 19 blocks in four licences, while further licence were awarded overseas. Development on the Britoil

operated Clyde field in the

The US State Department also

Soviet Deputy Foreign Minis-

ter, would be in Washington

the Secretary of State, on Mon-

The White House said the

significant reductions in offen

energetic research effort" to

an essential part of the task

of reducing the effectiveness of

Continued on Back Page

sive nuclear weapons.

Its exploration budget was also under review, it said.

Further cuts beyond the 40 per

Sea continued although the project, like all others in the North Sea, is not profitable visible trade deficit and Lex,

Back Page

Reagan offers Moscow

This offer was made in a written response to recent proposals would meet Mr George Shultz,

Soviet leader, on arms control. day. The announcement raised The White House said the hopes that a second Reagan-

on an agreement that the SDI US was still committed to seek

Mr Reagan said yesterday he find a missile defence system is

against missiles but implied and the very need for, these that the US would share it with offensive weapons."

delay of SDI system

BY NANCY DUNNE IN WASHINGTON

PRESIDENT Ronald Reagan of

the US has told the Soviet Union that he is willing to delay

the Strategic Defence Intiative

by Mr Mikhail Gorbachev, the

system, the so-called Star Wars,

could be deployed after an

would not give up his commit-

ment to a system of defence

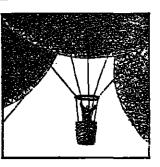
the rest of the world.

for five to seven years.

WEEKEND



The Cultural Revolution has left a sense of national shame and embarrassment in China.



INVESTMENT Preparing for the Trustee Savings Bank flotation



WRINKLES

Time leaves its ravages on all of us. How To Spend It looks at creams and potions which are said to limit the



SPORT

Shahrastani bids for a place in racing history at Ascat

Building societies change to companies postponed

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

by one year the date from which building societies will be able to convert from mutually owned societies into public limited companies.

The proposal is contained in the Building Societies Act, society which yesterday received the require measures in the act represent than 100 years and most are due second mortgages, provide estate agency services and issue cheque guarantee cards. Most societies will be fully occupied in responding to the new legis-

In a Commons written reply, regarded as being highly Mr Ian Stewart, Economic Secretary to the Treasury, said

detailed regulations governing conversion could be made.

Mr Stewart also announced that in response to building

society representations, a requirement that they should Royal Assent and which gives belong to an ombudsman societies powers to provide a scheme would not be enforced range of consumer services. The until July 1, 1987. The act ensures that the the first big change in building societies' principal role remains societies' structure for more the granting of mortgages but

to take effect on January 1 1987. further freedoms for societies Included in the act are to extend operations. Conver-measures enabling societies to sions would also give improved make unsecured loans offer access to fresh capital sources wholesale money markets The postponement reflects the Government's problems in framing the necessary regula-

complex, retary to the Treasury, said yesterday that the postponement until January 1988 of delay with surprise, the pracpowers enabling societies to tical effect is likely to be adopt company status was limited. That is because of

cessary because extensive obstacles facing societies wishpreparation and consultation ing to drop their mutual status, were still required before In particular, the Government requires that a minimum 20 per cent of society members—the Halifax, the largest society, has over 11m members-should vote on the issue.

Only a few of the larger societies are known to be considering adopting corporate status, among them the Abbey National, the country's second but US Administration sources this year, said the offer was conditional The W Tyrrell, general manager finance, said the decision rethe main difficulties associated with conversion but the act meant that Abbey would have plenty of other things with which to occupy itself in

Building Societies Association said the delay was not entirely unexpected, given the complex nature of the conversion proposals. Other nev powers under the act would inevitably take priority.

Royal Assents close Commons ssion, Page 6; A little extra, Weekend IV.

Grand Metropolitan in agreed £14.2m Ruddle takeover bid

BY LISA WOOD

GRAND Watney Mann and Fruman subsidiary's beers were once the primary target of the Campaign for Real Ale pressure group, has made an agreed £14.2m bid for G. Ruddle, the Oakham, Leics, small brewer. Ruddle's beers enjoy cult status among real ale enthusiasts.

The bid, which is subject to Office of Fair Trading clearance, comes at a time when the position of the big brewers and their smaller competitors is again the subject of controversy. Sir Gordon Borrie, Director General of Fair Trading, is known to be considering insti-gating a Monopolies and Mer-gers Commission inquiry into years. In the year to March 29 the tied house system and its implications for competition in

Camra yesterday called the proposed merger "depiorable." Ruddle, which sold its tied take-home trade, already sells developed a large portfolio of its Ruddle's County draught ale lagers and foreign beers, such in about 1,000 of Watney's 6,000 as Budweiser and cask-condipublic houses after an agree- tioned regional ales such as were up 1p at 372p.

METROPOLITAN, ment with the brewer in 1982. Webster's. Mr Tony Ruddle, chairman and managing director, said: "We are in a highly competimarket place. tive necessity for strong brands is becoming more and more obvious.

> we have not got the muscle for nationwide distribution. Watney will make our products available throughout their public estate and we will also widen distribution into the off-trade." Some 70 per cent of Ruddie's ples, including Ruddles Best Bitter, is sold in supermarkets.

1986, pre-tax profits at £1.05m were only 2 per cent higher than the previous year. Watney's main brand in the early 1970s, Red Barrel keg beer, came under strong attack estate of 38 public houses in from the real ale movement. In 1978 to concentrate on the recent years the company has

The future belongs to those companies with a relatively small number of strong brands. Building brands, which is an expensive business, is very important in the industry." Watney said. "We think Ruddle's is a smashing brand "We have a strong brand, but

> per cent share of the beer market while Ruddle's has about 0.2 per cent. There are irrevocable undertakings to accept the bid from

> Langham brewery at Oakham. Grand Metropolitan is offerloan notes for each Ruddle Ordinary share, with a 300p cash alternative. Ruddle's shares closed last night at 285p, up 98p, Grand Metropolitan shares

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Graduate recruitment: the great educa-Government and Westland: a ghost still tion mismatch in the machine Man in the news: King Hassan Share retailing: tinker, tailor, banker. Editorial comment: bad times for market

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For London market and latest share index 01.246 8025; overseas markets 01.246 8086

and we have been looking at it since 1982 when we put it into a number of our houses. Watney has an estimated 12.5 54.6 per cent of the share-holders, including the Ruddle family. Mr Tony Ruddle will remain chairman and managing director of the business. Brewwill stay at Ruddle's

16, 17 20 MENT

Unit Trust statistics for the twelve months to 1st July.

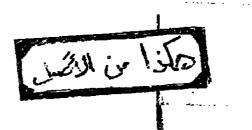
	-	
Trust	Percentage increase in value	Position in sector
Japan	+78.3	12th
Worldwide		
Recovery	+76.2	2nd
Pacific	+69.7	3rd
International	+65.1	3rd
Income		
& Growth	+60.5	Ist
European	+59.9	19th
U.K.	+40.2	36th
Practical	+28.6	lst
High Income	+25.5	13th
American	+19.3	15th

Planned Savings, offer to bid, income reinvested, 17.86,

Above we show the performance of all ten of our unit trusts, seven of which are in the top half of the overall performance table.

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Bundesbank rejects US plea on interest rates

BY DAYID BROWN IN FRANKFURT

West Germany lower its interest rates to help support world Community.
growth and reaffirmed its tough The present surge in money stand against a relaxation of its supply, up 7 per cent in July, monetary policy. will already produce a rise in monetary policy.

Mr Helmut Schlesinger, the central bank's vice-president. 1988. The drop in oil prices insisted yesterday that West and the dollar rate and thus Germany has already fulfilled its international responsibility the present price stability.

on the growth side, but has an In this context, further sti

obligation to hold the line on inflation.

He noted that German interest rates are near a record low in both an international and historical perspective the second. quarter growth rate at 3-31 per added, an important shift away cent is strong, and domestic from export-driven growth—liquidity is substantial.

Mr Schlesinger towards domestic towards domestic torical perspective, the second

Mr Schlesinger also suggested stimulated expansion be Bundesbank would not be firmly underway. the Bundesbank would not on intimidated by warnings emanating from Washington that the revaluation of the D-Mark against the US dollar had been of the D-Mark against the the dollar, and thus further cut into German and Japanese export competitiveness, to force

a rates reduction.
He cited US Federal Reserve chairman Paul Volcker's warn-ing this week that "self-reinforcing cascading depreciation of a nation's currency . . . is not in that nation's interest or that of its trading partners." "I could not have put it better

myself." Mr Schlesinger said. Mr Schlesinger, who is considered a hard-line advocate of cautious monetary and fiscal policies, also argued that West Germony has a responsibility rate cut after its summer re-to limit domestic inflation and which ends in mid-August.

THE BUNDESBANK yesterday thus discourage inflationary rejected the latest US plea that tendencies elsewhere, not least

> import costs have produced In this context, further stimu-

However. Mr Schlesinger

towards domestic demand-stimulated expansion is already

sharp (from DM 3.47 early last year to under DM 2.15 presently), and had taken a toll on West German exports. But the change in real terms

taking into account both shifts against other currencies such as the Yen and Swiss Franc, and the stability of German prices, was "not spectacular." It is nonetheless thought that a very sharp fall in the US dollar rate during the course

of the summer may compell the Bundesbank to re-think its policy regarding a discount rate cut after its summer recess

Austrian Vice Chancellor calls off protest trip

in Bavaria today following a blazing row over the visit Genscher, the West German ing "Bavarian" airspace as Foreign Minister, and the they land at Salzburg airport. powerful Bavarian premier, Mr

Franz Josef Strauss. for nearly 30 years. Mr. Genscher telexed the cial agreement. Bavarian authorities in Munich vesterday morning, suggesting campaign Dr Kurt Waldheim, they were planning to try to the Austrian Chancellor, wrote prevent Mr Steger entering the to Mr Strauss expressing doubts country to join a protest at about the safety of the Wackers-plans to build a nuclear re-processing plant at Wackers-130 km from the Austrian bordorf. He warned that such a move—possible because the Bavarians employ their own border police—could harm relations between Bonn and Vienna.

In a reply to Bonn Mr Strauss an affront and the Austrian leader's original telex an affront and the Austrian leader's original telex. In a reply to Bonn, Mr Strauss an affront.

accused Mr Genscher of being dishonest, claiming he had never intended to stop Mr entering Bavaria. Interior Ministry officials had merely been trying to establish what status Mr Steger would have in Bavaria. he claimed. The day's drama marked a significant worsening of a dispute between Austria

THE AUSTRIAN Vice Chancel- and the Bavarian authorities lor. Mr Norbert Steger, last over Wackersdorf, which night cancelled plans to attend Munich is determined to see built.

The deepening acrimony has led Munich to start complaining between Mr Hans Dictrich about Austrian aircraft overfly-Aircraft have been doing this for nearly 30 years without offi-During his recent election

Mr Genscher, who is due for talks about Wackersdorf with his Austrian opposite number Mr Peter Jankowitz, today, has had to remind Mr Strauss that West German foreign policy is made in Bonn, not Munich.
"We are responsible for foreign policy, no-one else," yesterday, without actually naming Mr Strauss.

Hopes for Franco-German helicopter project rise

BY PAUL BETTS IN PARIS

PROSPECTS OF the troubled Franco-German helicopter pronet were boosted yesterday after a meeting in Paris between Mr Andre Giraud. French Defence Minister, and Ar Manfred Woerner, his West German counterpart.

The meeting had been regarded as crucial for the future of the proposed helicopter, due to come into service. on the verge of collapse after Paris threatened last May to

drop it and launch its own helicopter project. countries agreed vesterday to launch two separate joint technical studies to iron out the main difficulties holding up the project, under discussion

The first study will try to work out a compromise over the helicopter's infra-red nightflying and weapon sighting system. The other will try to resolve differences over the engine and piloting.

Compromise reached in Italian crisis

By Alan Friedman in Rome MR BETTINO CRAXI, who resigned at Italy's Prime Miniter last month, last night informed President Francescu Cossiga, that a compromise has been reached which will end Italy's month-long Government crisis.

The compromise between Mr Craxi's Socialist Party and the Christian Democrats will allow Mr Craxi to resume office as Prime Minister until next spring when he will step down in favour a Christian Democrat

Mr Craxi resigned on June 27 after a parliamentary defeat. His five-party coalition Government, which will now be re-constructed, had lasted nearly three years, making it the longest surviving Italian Government since World War II.

The leaders of the five parties of the fallen coalition the Christian Democrats, Socialists, Republicans, Liberals and Social Democrats will meet on Tuesday to dis-cuss the form of the new Government.

The party leaders will discuss the possibility of a minor Cabinet reshuffle as well as the programme of the new

Government.
Assuming that Tuesday's "summit", among party leaders goes well, the new Government would then be presented to parliament, which is expected to vote its final approval between August 6 and August 9.

Under the compromise. Mr Craxi would resume office until his Socialist Party Congress which is expected to

take place next March.

He could then be succeeded by Mr Giulio Andreotti, the veteran Christian Democrat whose own efforts to form a Government collapsed last Monday in the face of Socialist opposition to the idea of a Christian Democrat Prime Minister.

Moroccan embassy hit Demonstrators yesterday smashed their way into the Moroccan embassy in west Beirut and ransacked it in protest against talks in Morocco between King Hassan and Israeli Prime Minister Shimon Peres, Reuter reports

from Beirut. Arab League chief Chedli Klibi called yesterday for an urgent Arab Summit following the Israel-Morocco talks.

Mexico joins Gatt

Mexico yesterday signed the General Agreement on Tariffs and Trade. becoming the 92nd trade group, Reuter reports from Geneva. The country will participate fully in the new round of world trade negotiations due to be started by Gatt in September.

Marcos cash claim

The Philippines Government released documents yesterday showing that former Presi dent Ferdinand Marcos and his wife. Imelda, held deposits of at least \$229m (£154m) in Swiss and other bank accounts, reports AP from

The alleged that the Marcoses and their associates plundered the country of as much as \$10bn over the last 20 years.

Brazil resists LMF

Brazil is still opposed to substantive involvement by the International Monetary Fund in policing the country's economy, central bank president Fernao Bracher said after signing an interim \$31bn (£20.9bn) financing package with a group of international banks. Reuter reports.

Paul Betts reports from Paris on the scaling down of a socialist project

Bastille opera plan falls foul of Chiraca

of the famous prison fortress performances. but the construction of a lavish modern music and opera centre Bastille in Paris.

The new opera house was part of a programme of ambitious new public works in Paris launched by the previous Socialist Government. But much to the dismay of President Francois Mitterrand, the new opera is likely to turn into an unfinished symphony.

The right-wing Government of Mr Jacques Chirac, the neo-Gaullist Prime Minister who is also mayor of Paris, has decided that the Bastille will not be the site of a new Paris opera. Instead, the Government plans to scale down the Socialist project by building at the

Bastille a music auditorium

start of the French Revolution, door. This concert hall would has again become the stage of a have included all the latest new political battle. This time technologies to make it adaptit does not involve the storming able to many different artistic

The overall complex which would have cost the Governincorporating all the latest ment FFr 2.2bn (£183m) to theatre and construction tech-complete, would also have innologies at the Place de la cluded workshops to construct stage sets and rehearsal rooms. The new Bastille opera complex was designed to become the main focus of musical activity in Paris rather like the Lincoln Centre in New York or the South Bank complex in Lon-

> Paris's existing opera bousethe monumental Palais Garnier - would have eventually seen its role relegated to the staging of ballet and concerts. The right was unable to cancel the entire controversial project

because already more than FFr 700m had been spent when it returned to power after the March 16 parliamentary elec-But the future of the new

The original plan was to con-struct a new opera house with ministers and voters on the



Mr Chirac: bid to end debate

right. Mr Jarques Chirac finally tried to put an end to the debate this week by stating that the Bastille would not house a new opera but only an auditorium for concerts and ballets. Although the new auditorium would probably be able to stage one or two small operas a year,

the Paris opera as such would stay at the ornate Palais Garnler. Mr François Leotard, Culture and Communications Minister, who at one stage had suggested that the Bastille would maintain its original operatic vocation but was forced to climb down by Mr Chirac, is now due to announce the final government

plans for the Bastille project by the end of this mouth. Mr Denis Baudouin, Mr Chirac's spokesman, confirmed this week that the Government would not build a second opera house at the Bastille. The cost of financing a second opera troupe, an orchestra and building the necessary stage facilities were far too high, especially at a time of general budgetary restraint.

He added that a decision on the high-tech experimental concert hall next to the 2,700-seat auditorium would be taken soon. But the Government has already decided not to build the workshops included in the original Socialist project.

The Socialists, like the century, i former culture minister Mr not resolv Jack Lang, and other critics of problems.

the new opera house? argue that Paris could now lose out as a major international music

centre. The Bastille project, they claim, was the last chance for Paris to build a modern facility such as major capitals have already

At the same time, they also argue that the Palais Garnier, for all its gilding and impeccable acoustics, has become out of date and extremely costly to Tun.

constructed.

small.

The old opera house is heavily subsidised. Although seats are exorbitantly priced. the state subsidies still total about FFr 700 per spectator.
The Palais Garnier is also regarded as technically inadequate and with 1,900 seats of which 500 have poor vision, too

Even if some FFr 700m is eventually spent to overhaul the opera house built in the last century, its critics say it will not resolve its basic structural.

French court house attacked

THE French Basque separatist movement Iparretarrak claimed responsibility yesterday for the attack on the court house of Bayonne, in south-west France near the Spanish border, in which a French riot policeman was injured.

Extremists threw a grenade at the back of the Bayonne court house and machinegunned a riot police van early yesterday, injuring a policeman in the arm and eyes. Another grenade was later found in a car park near the court house and close to a local branch of the Crédit Lyonnais bank.

day trying to verify the authenticity of the claims by the French Basque separatist movement, But the attack on the Bayonne court house appears linked to the recent expulsion by the French Government of a number of Spanish Basque refugees suspected of playing a major role in the Spanish Basque Eta separatist organisation.

Mr Jacques Chirac, French Prime Minister, pledged this week that the French Government would collaborate with Madrid by not allowing 10 policemen.

Security forces were yester Spanish terrorists to take ay trying to verify the refuge in France. Mr Chirac acknowledged that there was a risk of retaliation by extremists but that his government would make no compromises in its efforts to combat terrorism.

The Spanish Government has welcomed the French Government's firm approach against Basque extremists and its collaboration pledges following the Eta grenade attack on the Defence Ministry in Madrid last Monday and the car bomb explosion in the Spanish capital the week before which killed

Bush begins

Mideast trip

MR GEORGE BUSH, the US

Vice President, was scheduled

to leave last night for a 12-

day trip to Israel, Jordan and

Egypt. in a low-key attempt to reassert US leadership in the area and to re-establish

his own credentials at states-

manship.
Administration spokesmen

are portraying this trip as a

12-day

Cote d'Azur fire could be arson, say police

BY OUR PARIS STAFF

MORE THAN 2,000 firemen and many small towns including the soldiers, backed by fire-fighting aircraft were yesterday still attempting to extinguish a huge forest fire which has caused major damage to one of the most famous and scenic parts of the Cote d'Azur between Nice and the principality of Monaco. One person died, more than 1500 had to be evacuated during the night and some 5,000 hectares of pine forest were

village of Eze, spread rapidly on Thursday night because of the strong Mistral wind.
Although the Mistral died

down yesterday, fire fighters were still trying to put out fires around the village of Eze where hotels and holiday villas were evacuated. The authorities suggested yesterday that the origins of the fire could be

destroyed by the blaze. So far this year, about 19.000
The fire, which destroyed hectares of forest have been several villas and threatened destroyed by fire in France.

S. Africa agrees to more non-racial private schools

China told of Hong Kong's

concern over nuclear plant

BRITAIN has passed on to the able concerns of the people of

the safety of a nuclear power ject," one UK diplomat said-plant to be built at Daya Bay "Recent calls on Vice-

the plant, met Chinese Vice-Premier Li Peng early last countries were looking at ways week to discuss the rise in anti-to improve publicity on steps

week to discuss the rise in anti- to improve publicity on steps nuclear feeling in Hong Kong, being taken to ensure the

taking into account the reason- struction and use.

All the three countries are safety of the plant during con-

cern."

BY BERNARD SIMON IN JOHANNESBURG

ernment has breached a key tenet of its racially segregated education policy by agreeing to large. the establishment of more non-

open near Durban next January, followed by others in 1988 in the Eastern Cape, between Johannesburg and Pretoria, and in the Cape Town area.

financed entirely by two South African mining houses. Anglo-American and Johannesburg Consolidated Investments. NEST is seeking financial support from other companies, both local and

1970s, said the schools will be

Chinese leaders the concerns

of Hong Kong residents over

Reuter reports from Peking.

The ambassadors of Britain

and France, which will be in-volved in the construction of

the British territory,

THE SOUTH AFRICAN Gov- located in different parts of the country to have the greatest possible effect on society at

'Our goal is to show people racial private schools.

After working behind the scenes for the past five years to set up the schools, the New Era Schools Trust (NEST), a private group, announced year terday that the first school will have 300 pupils.

Although many private schools in South Africa already admit blacks, they are all classified by the government as "white" schools. Regulations expected to be promulgated within the next month or two will allow the establishment of mixed institutions for the first

Members of NEST met South African cabinet ministers on NEST's director, Mr Deane three occasions to discuss their Yates, who founded a multi-plans, but most negotiations racial school in Botswana in the were carried out through intermediaries.

Hong Kong about the safety

aspects of the Dava Bay pro-

Premier Li Peng were part of

the process of consultation about what measures were

necessary to allay that con-

Diplomats said the three

"symbolic gesture" signal-ling American interest in peace. Still, he will carry no new initiatives, and, according to a State Department official, he will no heen speculated, make a side foray to Syria.

last year backed away from high-profile peace efforts in the Middle East. after a series of frustrating setbacks. Mr Bush will be the first senior US official to visit Israel and its two Arab neighbours since May 1985. Mr Bush may announce a new package of economic aid for Egypt.

The Reagan Administration

White House boosts 1987 growth forecast THE US Government, in a preliminary review of the nation's economy at mid-year, has trimmed its 1986 growth estimate but substantially

boosted projections for 1987

economic activity. AP reports from Washington. The forecast for growth this year, as measured by the Gress National Product, was trimmed to 2.6 per cent. down from the February estimate of 3.4 per cent. For 1987, the Administration is projecting an annual rate of 4.5 per cent.

Argentina to reform economy 'this year' By Nancy Dunne in Washington

BY TIM COONE IN BUENOS AIRES

IMPORTANT structural changes In the latter case a voluntary are to be made in the Argen-tinian economy before the end study. Public sector employees,

Speaking at an international gathering of economists in northern Argentina this week, he said: "We must launch some kind of structural reform before the end of the year. Otherwise we shall have problems, not immediately but in the medium

The envisaged changes include a speeding up of the privatisation of state sector com-panies, capitalisation of the foreign debt to promote foreign investment, modifications to the systems of customs tariffs to open up the economy to greater trade and competition, expansion of incentives for exports and investments, and a scaling down of public sector employ-

of the year, according to Mr although badly paid, are Jose: Louis Machinea, the guaranteed security of employ-country's Deputy Economy ment in Argentina.

Minister., The proposed measures are

contained in existing government plans as a second phase of the so-called Austral Plan. which was introduced in June The first phase of the plan.

the successful halting of runaway inflation. is running into difficulties through trade union opposition, the re-emergence of a monthly inflation, rate of over 5 per cent and a continuing lack of interest in investment by the private sector. Disputes between the Central

Bank and the Economy Ministry over monetary policy have failed to rein in growth adequately, while divisions within the ruling Radical Party, have set back privatisation plans for well over six

Japan to act on yen rise

BY YOKO SHIBATA IN TOKYO

JAPAN plans to act as soon as of the effort to curb the yen's possible to stem the appreciation of the yen, Mr Yoshihiko
Yoshino, Vice-Finance Minister, occur as early as next month, said yesterday.

than intervention in the foreign exchange markets at the behest of the new Finance Minister, Mr Kiichi Miyazawa.

The minister, appointed last Tuesday, has already instructed officials to ease regulations on the outflow of capital as part prices in Tokyo yesterday.

may involve allowing the The Ministry of Finance is existing ceiling on foreign considering measures other exchange positions to be set than intervention in the foreign aside by banks wishing to convert yen into other curren-

> stocks. News that the ministry will considering such a move boosted US Treasury bond

> cies to buy foreign bonds and

David Gardner reports on the aftermath of an election that could affect a country's stability

Mexican leaders play down the challenge of Chihuahua

parties over ballot rigging in the covernorship and municipal elections of July 6. of small to medium sized (but

not big) business, and the inde-

pendent Left, have now resorted

o civil disobedience in the state

to try to have the result annulled. So far they have brought traffic to a standstill in the main state highways and border crossings and partially shut down businesses. The church's attempt to cancel all religious services last Sunday was only no bloodshed in Chihuahua, sults to be annulled. rescinded on orders from the Pope. Pro-PRI businesses and media are also being boycotted. The PRI's optimism that it can stave off the challenge is aggressive than ever before, it

MENICO'S ruling Institutional ruling party won more votes flow of information for most or impersonation of legally levolutionary Party (PRI) is than its main opponent.

Studing quiet confidence that First, both the Government by the Government.

The Committee for Democratical purposes is regulated by the Government. this winning the political conrontation provoked by the results of the recent elections in the northern state of Chihuahua.

This is despite continuing took place, they are protected by a law which makes it extremely difficult to prove witgorous protests by Opposition fraud. They are convinced, with clean. A colleague admitted to

The opposition National In the middle of Mexico's worst economic and Action Party (Pan), the Catholic Church, a broad swathe political crisis for half a century, voting turnout in Chihuahua was unusually high at 59 per cent, yet the Government received the backing of

tiate its claims of widespread

only three out of every 10 voters.

urregularities. Second, there has so far been despite the passions aroused by the elections. Although opposition to the vote fraud has been more broad based and more partly based on somer is taking place within only one ing booths. mostly stuffing of

major towns: blockaded the reason, that the PAN is not well "minor irregularities." but reenough organised to substan- ferred to the electoral law which requires that irregularities be proven in 20 per cent of voting stations in order for the re-

Correspondents covering the election witnessed overt fraud and/or irregularities in about a dozen of the nearly 1,500 poll-

tic Struggle (Coiude), a group of largely proPan civic orga-nisations, monitored polling in Cindad Juarez the state's largest city, with a task force of 150 observers, 20 video teams, 30 photographers and a ham radio network to intercept army and police radio transmissions. It claimed 166 individual transgressions, affecting exactly a third of poiling booths. But the vote monitoring effort has so far substantiated only margenaily more overt fraud than correspondents were able to. while some allegations of malpractice appeared to be base-

In last year's parliamentary elections in Chibuahua, the Pan was able to substantiate its own major victories in the state with help from the left wing PSUM coalition built round the old Communist Party, whose vote tallies coinelectoral authorities denied

vote monitor credentials to vir-tually all the PSUM's represen-

tatives, allegedly because the

Representatives of the PRI's three satellite parties were numerous however. The ruling party in Chihua-hua, faced with the Opposition threat to make the state ungovernable, is defensive.

governor-elect, former deputy Attorney General Fernando Baeza, said in an interview before the election that he would under no circumstances allow fraud or "supplant the will of the people." After the polls he allowed there had been irregularities, but not to the degree of besmirching his victory.

The opposition's effort to spread the protests to other parts of the country is being hampered by a majority of the national Press, where journal ists' meagre salaries are augmented by substantial extra party and Government payments. Both state television and the private TV monopoly have stuck virtually verbatim to the regime's version of events.

cided with those of Pan. The Chihuahua election has
This rear the PRI-dominated implications for the PRI's credibility and the future stability of a regime, which has been in power for 57 years. In the highly-charged atmoofficials' conviction that the state, in a country where the ballot boxes and the exclusion coalition filed for them too late. sphere of Chihuahua turnout

the Government got the votes of only three out of every ten

voters registered.

In the middle of the worst conomic and financial crisis for half a century the PRI Govern-ment may reflect that this can-

FINANCIAL TIMES, USPS No 190640. published daily except Sundays and holidays. US subscription rates \$355.00 per annum Second class postage poid at New York MY and at additionations mailing offices POSTMASTER, sen address change to FINANCIAL TIMES
14 East 60th Street, New York,
NY 10022

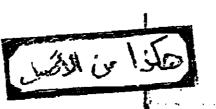
A Financial Times Survey MOTOR INDUSTRY

The Financial Times proposes to publish a Survey on the Tursday 14th October 1986 For further details, contact COLIN DAVIES on 01-245 8000 Ext 3240 FINANCIAL TIMES

Europe's Business Newspaper

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BASE LENDING RATES



Punjab terrorists 'kill:14 Hindus in bus attack

BY K. K. SHARMA IN NEW DELHI

north-western Indian state of in a similar manner. That was Punjab four years ago, Sikh in October 1983. terrorists yesterday killed 14 At that time, the then prime lerrorists yesterday killed 14 At that time, the then prime Hindus and seriously injured minister. Mrs Indira Gandhi, eight others near Mukhtsar promptly dismissed the state town in Faridkot district.

out from 60 passengers travel-ling in a de luxe bus to New Delhi early in the morning. The terrorists shot them but spared the Sikhs and Hindu women and children on the bus.

The murders sent a wave of indignation all over the country and all parties, including the ruling moderate Sikh Akali Party in Punjab and Mr Raliv Gandhi's Congress-I, have called a protest statewide general strike today.

The killings came after a

fortnight's lull in violence in Simjab during which the moderate Sikh chief minister, Mr Surjit Singh Barnala, launched a counter-offensive against the terrorists. Yester-day's deliberate killings show that his claims to have smashed terrorist hideouts were hollow. A fresh wave of violence is

Mr Gaudhi is under pressure to take action to improve law and order enforcement in Pun-session," there is no sign yet jab. The extremists obviously that a new strategy to check

IN THEIR most provocative act since the first communal killsince taking to violence in the ings in Punjah were carried out

government formed by her own The 22 Hindus were singled party after Sikh terrorists ut from 60 passengers travel-pulled out six Hindu passengers from a bus and killed them. Mr Gandhi is in a dilemma

over yesterday's murders since he cannot easily dismiss Mr Barnala's moderate government on which he has pinned his hopes for peace in Punjab. A peace accord was signed

with the moderate Akali Party just over a year ago. Although there is a stalemate over its implementation, particularly over the transfer of the garden city of Chandigarh as Punjab's exclusive capital, Mr Gandhi still hopes Mr Barnala will carry out the terms of the accord.

The terrorists have now demonstrated that they can still strike at will and continue to create serious problems for both the central and state governments,

Although Mr Barnala's cabinet yesterday held what was described as an "emergency

Australia seeks support * in wheat row with US

Canada and Argentina to join in fighting proposed subsidised wheat sales by the US, Reuter reports from Sydney.

Mr Bob Hawke, Australia's Argentina, asking him to make Prime Minister, said the two similar approaches, wheat exporters should call on the Reagan Administration to agreed in talks in Sydney stop the planned sales to the

Soviet Union and China. Mr Hawke warned Mr George Shuliz, US Secretary of State, on Thursday night that the wheat deal, already approved by the Senate, could jeopardise relations between Washington and Canberra.

Mr Hawke told Canada's ton have said joint defence Prime Minister, Mr Brian Mul- facilities in Australia would be helped if Ottawa tion at the highest levels, the

spokesman added.

this is the first time that coun-

tries suffering the impact of the farm policies of the US, the EEC

and Japan have got together to tackle the problem.

Senior officials representing

Argentina, Australia, Brazil, Canada, Chile, Hungary, Indo-

esia, Malaysia, New Zealand, the Philippines, Thailand and Uruguay, cancelled an afternoon

session of talks, and approved

a joint communique.

This unity has been achieved by avoiding any discussions on other topics proposed for the new Gatt round, such as services, intellectual property, and investment. Most of the countries attending this three-day meeting support either of two

neeting support either of two traft declarations being pro-

Punta del Este. Uruguay.

a joint communique.

en ns

.Twelve farm exporters

TWELVE agricultural export- posed for the Gatt meeting.

ing countries, meeting in Thailand, have agreed to co-ordinate their stand against export subsidies and import restrictions.

Thai and other officials say this is the first time that countries wifering the impact of the cart meeting a draft which would limit the new-round strictly to the trade liberalisation of goods, including the controversial question.

The group is pressing for Thailand and Uruguay support agriculture to be given priority in the proposed new Gatt round, due to be launched this Santan

ber at a ministerial meeting in services, intellectual

to fight import curbs

BY PETER UNGPHAKORN IN BANGKOK

USTRALIA yesterday urged Canada, too, was deeply con-anada and Argentina to join in cerned about the proposed ghting proposed subsidised extension of the EEP, he said. Mr Hawke also sent a message

to President Raul Alfonsin of earlier this month that they should work together to stop subsidised US sales in their

traditional markets. Mr Hawke told Mr Shultz the sales would, in effect, subsidise Communist régimes at the expense of Australia.

He said Australia could no and Canberra.

The wheat sales under the US agreements with South Pacific Export. Enhancement Pronations if the US extended gramme (EEP) would cost wheat exports to the Soviet fishing agreements with South Pacific Export.

Australia A\$1bn (£408m), Union and China through its according to a spokesman in subsidy programme.

Both Canberra and Washing.

roney, that Australia's efforts not be a bargaining chip in the trade dispute. could make urgent representa. This followed an outburst tions to the Reagan Administra- from Australia's Treasurer, Mr

Paul Keating, who suggested that the future of the bases

supported by Argentina and a number of other countries not

and investment in the new

Lisbon law By Diana Smith in Lisbon FOREIGN banks established in

He argued that new institutions should be more "solid." an a gument rejected angrily an argument rejected again, by foreign and Portuguese private bankers. They pointed out that, by law foreign bank branches in Fortugal must be backed by the capital of their head offices, and the solidity of the capital of such banks as the capital of such banks as Banque Nationale de Paris, Barclays, Chase Manhattan. Citicorp, Generale Banque of Belgium and Manufacturer:

New Portuguese private banks are backed by the country's most solid private

Although these differences did not arise in the meeting here, officials say related differences were touched on briefly Some countries such as Australia and Chile regard the US. as a potential ally in putting pressure on the Europeans to liberalise the Common Agricultural Policy. This would mean bowing to US pressure to discuss services and other non-goods trading. The Brazilians warn that this could divert attention from

Wrong decisions on the make-up of a coalition could lead to a coup, writes Chris Sherwell

Thai wheeler-dealers face critical test after election

FOR SEVERAL tense days bases at Da Nang and Cam next week a handful of men—a Ranh Ray has meanwhile revered King, a silver-haired bachelor known as "Pa" and some wheeler dealer politicians and powerful army generalswill lock horns to determine the political future of Thailand. They will decide the make-up of a new coalition government following tomorrow's general election. But they will need their wits about them, because an unsatisfactory outcome could

lead to a coup.

Thailand's 50m people, 95 ing Vietnamese per cent of them Buddhist, 80 ing Kampuchea. per cent living in rural areas, will probably show little interest. In the 54 years since the country was an absolute monarchy, they have seen 13 constitutions, 16 coups, 16 elections and some 42 governments. This year, as ever, it is difficult to escape the feeling that a clutch of wealthy families, with powerful interests weaving through the palace, the military, the parties and bureaucracy, will ensure that the country's politics remain even more arcane than Italy's. But there are signs that these Though 1985 and 1986 will traditional oligarchies are finding it less easy to exercise untrammelled power. To some people, the flerce and expensive 11-week campaign, in which a record 3,813 candidates from 16

parties are vying for 347 seats, marks a significant step on Thailand's ong road to parliamentary democracy.

Its allies in South-East Asia
and its foes in neighbouring
communist Indo-China are Malaysia. watching developments closely. So are the US, the Soviet Union

Thailand, after all, is the region's only true "front line" state. Soviet-backed Vietnam so dominates Laos and Kampuchea that they no longer serve adequately as buffer states. while incursions by Hanoi's troops on to Thai soil have become worryingly regular. Moscow's use of Vietnamese

and China, and key trading partners like Japan and the

enhanced its capacity to project its power in South-East Asia.
The US, for its part, has a security pact with Thailand, wants to stockpile weapons there and is selling sophisticated F-16A jets to the military. China, also ready to counter Soviet expension, has ended its support for Thai communists and along with at least one South-East Asian country, funnels arms to guerrillas fighting Vietnamese troops occupy-

In all this, Thailand has retained its independent status. just as it skilfully avoided ever being colonised. Likewise it uses its abundant natural resources to strengthen its economic muscle in relation to Japan, the US and the EEC. Thailand is the world's largest rice exporter, and produces vast quantities of tin, rubber, and electronic components.

see the lowest consecutive two years of expansion since the 1960s, gross domestic product will increase by more than 4 per cent this year after a similar rise last year—significantly better than Thailand's increasingly troubled Asean partners in the Philippines. Indonesia and

At the heart of Thailand's Intricate political web is General Prem Tinsulanonda, 65, a former army chief whose usually lengthy tenure as Prime Minister since 1980 has raised hopes for a longer-term "civilianisation" of the

country's politics.
Popularly known as he has never been elected to parliament, is a member of no party and has survived two coup attempts since 1985, thanks to member of the coalition. They the critical backing of the King had hoped Gen Prem would



Rivals for power-Thai Prime Minister Gen Prem Tinsulanonda (right) and Gen Arthit Kamlang-ek, supreme military

election

The effect has been to heighten the chances of a

smooth transition to a new

coaltion. Although Gen Prem is

against not standing for elec-

ingly unpopular because of his

general indecisiveness, most

analysts expect to see him back

as premier but heading a quali-

is likely to emerge with the

biggest representation in the

new parliament, and the rump

of the Social Action Party. But

election in 1983.

right-wing Chart Thai

tion and has become increas-

It says something about calculated badly. the complexities of Thailand Worries about a coup after that the leader of one of the tomorrow's tapioca, malze, natural gas— coalition, who was clearly cal ambitions. Several parties and opium. Low labour costs implicated in last September's back him, including a couple of abortive coup and put on trial. is currently free to campaign for a seat in parliament. Other his military strength is ebbing. candidates face criminal charges, and they too hope electoral success will bring Gen Prem, in a most "un-Thai" act, de missed him from his more important post of army chief on May 27.

invulnerability.

It is also significant that, in tomorrow's election, turnout will be only 50-60 per cent, that many people will vote for per-sonalities who can help them rather than for ill-defined policies, and that vote-buying and abuse of identity cards will be used to influence the result. According to one estimate, about Baht 1.5bn (£40m) will be spent on vote-buying.

Even the election itself is a surprise, having been called 11 months early. It is now widely believed that Gen Prem dissolved parliament in May after his main rival for power, Gen Arthit Kamlang-ek, the supreme and seemingly always smiling, military commander, was linked he has never been elected to with the mass defection from government by members of the Social Action Party, the biggest

or can safely sideline him. Most analysts feel Gen Arthit will be the main loser in this election, but the fear is that one or more If, by such a twist or even

through a coup, this should happen, analysis say there is every prospect of an early power bid to reverse matters. That is why attention will focus next week on the coterie of men who will try to build a government. Apart from the King, Gen Prem and a couple of party leaders, the key player will be Gen Chaovalit Yongchaiyuth, Gen Arthit's suc-cessor as army chief. In the past, the crucial factor

has been the monarchy, meaning both the King and the Queen More recently the Queen has dropped out of the public

The fact that King Bhumibhol Adulyadej turns 60 next year, the end of the symbolic "Fifth Cycle," and shortly thereafter becomes the longest-serving Thai monarch in history, is of great relevance in all political calculations. Big celebrations are planned, and Gen Prem is determined to stay on to see them through before an expected retirement in 1988.

While it is not clear whether he would then call elections or simply hand over the baton to someone else, the idea of seeing the first-ever elected prime minister at that point is taking

tatively different coalition of up to five parties.

These will include the Democrats, Thailand's oldest and best organised party, which The outgoing minister, Mr Sommai Hoontrakul, a technocrat, is deeply unpopular, and Gen Prem might well drop him to recover some of his own they will also probably include the right-wing Chart Thai support. But the new man will

party, which despite its suc-cess was left out after the last widening gap between savings look a lot gloomier.

whether Gen Prem will have and investment, caused by heavy to "accommodate" Gen Arthit public expenditures and low

public and private savings.
It may help matters that Thailand is for the first time running its economy according of the new parties supporting to performance criteria agreed him will do well enough to perwith the IMF under the terms suade others, like Chart Thai, to of a stand-by credit first join them with Gen Arthit as granted last year. But for all the improving news now emerging about the economy, thanks principally to the fall in oil prices, other long-term problems cry out for action.

One is pervasive corruption, borne of bureaucratic overregulation and remorseless greed, which contributes to gross inefficiencies and appalling indecision. Another is the related problem of illegal commerce—specifically the drugs trade, the arms business, marine piracy and the smuggling of

Despite the problems, Thai-land's political system is indisputably evolving. The poll country has seen two consecutive elections under the same constitution. A period may be starting in which parliament, parties and MPs become more important and more responsive to the electorate.

That could mean the army will start channelling its demands through means other than coups.

None of this makes the

country easier for outsiders, or even Thais themselves, to understand. Truth and reality remain as elusive as ever. The political system retains the Thai virtues of accommodation and consensus and the vices of manipulation and unpredictability.

Thus, when the results of the election start pouring in to-morrow night, the men who will decide who gets what in the face just as many tough decinew government face a critical few days. That may have seen Thailand's most urgent struc- it all before. But one wrong tural need is to close the move, and their future could

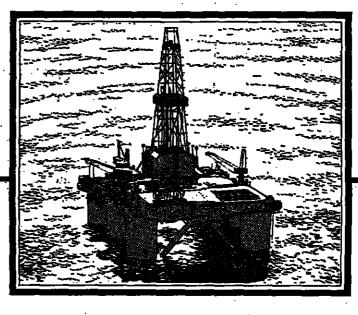
Banks may act over

Portugal after relaxation of tight banking laws in 1984 are contemplating a formal com-plaint to the European Com-mission. They are anary about what they consider the arbitrary and discriminatory imposition by the Minister of Finance, Mr Miguel Cadilhe, of a 67 per cent increase in minimum capital of new banks.

In a June decree law that came to light only in mid-July, Mr Cadilhe singled out "new" institutions—at the moment four Portuguese privatelyowned and six foreign banks— for a minimum capital increase to Es 2.5bn—equivalent to \$17m. or \$2m more than the require-ment for Spain's large, sophisti-cated financial market.

Hanover Trust could not reason ably be questioned.

The minimum capital sum appears to bear no relation to the size of the tiny Portuguese market or to the foreign banks' activity in the country. The key to their case is their belief that, by differentiating between new private and nationalised banks, the Govern-ment has gone against not only EEC precepts but its own decree law, which says "in criteria imposed on commercial or investment banks by the authorities ... there can be no discrimination whatever."



First Half Results from Britoil

Loss Account (Unaudited) ended	<i>months</i> 130.6.86 en million	Six months ded 30.6.85 £ million
Turnover	546.1	968.1
Operating profit	100.4	36-j.1
Net interest (payable)/receivable	4.7	0.6
Profit on ordinary activities before taxation. Taxation.	105.1	36 <u>i</u> .7
Petroleum revenue taxes		
- excluding UK safeguard	(33.1)	(206.6
UK safeguard UK corporation tax/overseas taxes	16.4 (53.9)	8.9 (75.6
	 -	
Profit for the financial period	34.5	91.4
Dividends	(10.1)	(20.1
Amount set aside to reserves	24.4	71.3
Farnings per share	6.84p	18.19p
Dividend per share	2.00p	4.00p
Funds generated from operations less		-
tax paid.	16.3	257.8
Additions to fixed assets	192.5	330.9

The Directors have decided, in view of the reduced profits in the first half of the year, to pay an interim dividend of 2.00p per share as against 4.00p in the corresponding half year of 1985. Payment will be made on 1 October 1986 to shareholders on the register at the close of business

In response to the adverse market conditions in the first half of the year, when the oil price fell from around \$30.00 per barrel to lower than \$10.00 at times during the second quarter, the exploration budget that had been proposed for 1986 has been cut by 40%, overheads have been cut and future plans are under review. If the present price of oil persists throughout the second half of the year, no profit will be made for that period.

THE SIX MONTHS IN BRIEF

Turnover decreased to £546.1 million. Revenue from equity production at £432.4 million and sales of purchased petroleum at £113.7 million were down 44% and 41% respectively on 1985. Average sterling realisation (Brent blend) fell from £22.71 per barrel to £11.53 per barrel (49%).

 Pre-tax profit decreased to £105.1 million, down £259.6 million (71%) on the 1985 half year, and after-tax profit to £34.5 million, down £56.9 million (62%).

 Oil production (including LPG and condensate) averaged 182,500 barrels per day (178,300 barrels per day in the 1985 half year) and gas production 308 million cubic feet per day (256 million cubic feet per day in the 1985 half year). Installation of the module support frame and topside

modules for the Britoil operated Clyde development was completed. The topside modules for the Shell operated North and South Sean platforms were also installed. Annex B approval was granted for the development of

the Vanguard, South Valiant and Vulcan gas fields (the 'V' fields). An appraisal well on the Britoil operated Amethyst gas field was successfully completed. The company participated in 21 (19 in 1985) UK wells

spudded (20 offshore and 1 onshore) and was awarded 19 blocks in 4 licences in the First Round of UK onshore licensing.

Overseas activities continued to expand with the award

of further licences.

coupon to the Company	n Report please complete and return the Secretary, Britoil plc, 150 St Vincent
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Report shortly:	
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Name	
Address	
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	There and a

Energy at Work for Britain

Gonzalez names cabinet team

BY TOM BURNS IN MADRID

Spanish Prime Minister, yester- Minister, day brought five new ministers Newcomer into his cabinet and kept senior Carlos Croissier, who is promothers of the Government in moted from chairmanship of the members of the Government in place in the economy, foreign affairs and interior portfolios. The cabinet reshuffle followed

the June 22 elections which headed the reprivatisation of carned Mr Gonzalez's Socialist public companies and imposed Party, the Partido Socialista strict austerity in INL Obrero Espanol (PSOE), a Two new ministers, Mr renewed outright majority and Manuel Chaves, appointed saw Mr Gonzalez's re-election Employment and Social Security as Prime Minister.

The chief feature of the new government is its continuity. Mr Carlos Solchaga was reappointed as Economy and Finance Minister and others who kept their posts were Mr Francisco Fernandez Ordonez in Foreign Affairs, Mr Jose Barrionuevo in the Interior in the Defence Ministry.

associate of Mr Gonzalez since tions student days, was Julian Garcia Vargas, a former three months of 1985.

Newcomers include Mr Luis public sector holding company, INI, to the Industry Ministry portfolio. Mr Croissier has spear-

Minister, and Mr. Jose Luis Corcuers, the new Transport and Communications Minister, have strong links with the general workers union, UGT, the PSOC's "fraternal" labour

organisation. Mr Virgilio Zapatero, who, like the other newly-appointed ministers, combines youth and portfolio and Mr Narcis Serra longstanding PSOE member n the Desence Ministry.

ship, was appointed Minister rise of 0.3 per cent in the index Mr Alfonso Guerra, a close with Responsibility for Relator industrial production for the

Gonzalez, the reappointed Deputy Prime key side to economy supremo Minister, yester Minister. Mr. Solchaga, was appointed to pew ministers. Newcomers include Mr. Luis Minister of Health and Consumer Affairs.

Mr Joaquin Almunia, the

Employment Minister for the past four years, was appointed to the Public Administration portfolio, a new post in the 15-member cabinet which will have the reform of the Spanish civil service as its chief priority Spanish unemployment fell by 79,100 to 2,652,400 between January and June, the Economy Ministry said yesterday. By the end of 1985, the rise in memplayment, which has affected nearly 22 per cent of the active population, showed clear signs of levelling out.

The Ministry noted that the level of industrial activity was greater and in progressive expansion," with an increase of electricity consumption and a with Parliament. Mr first quarter against the first BY DAYID BUCHAN

knocked out of the competition took three years for such agree- officials led by Mr Rolf Larson, for the multi-milion pound con-ment on the S-band radar an executive vice president, and agreement on a dedicated frequency for their radar to

The Allied Radio Frequency
Allocation Board in Brussels
said earlier this month it could
not give Grumman and Lock
The two other heed a dedicated, or cleared, ultra high frequency band for the APS-145 radar which both US companies are offering in affected by the latest develop-their rival bids for the British ment. GEC, which is struggling contract. Other European users against the US competition to were already transmitting on the UHF band that the APS-145 ful Nimrod early warning

uses, the board said. However. Grumman Lockheed yesterday said they were still pressing their bids, in spite of concerns by some officials in the Ministry of De- that Grumman and Lockheed fence that Britain should not prove their claim about the commit itself to any airborne early warning system for which with a demonstration. This it did not have an operating free can only be carried out by the it did not have an operating frequency cleared internationally in advance.

panies, which admit they have tric supplied APS radar off its warning contract competition. run into a big hitch in their carriers. The MoD is consider which will not be finally decided bids, is to try to persuade the ing requesting such a demon-before September.

Sir Douglas

join Nomura

NOMURA INTERNATIONAL,

the London subsidiary of the

of the De La Rue Company.

sadorial role, supporting its

efforts to become more inte-erated into the UK financial

He will not be involved in

negotiations between the com-

pany's Japanese parent and the

Bank of England over its appli-

cation for a UK banking licence.

Wass to

FWO BIG US contenders to UK Government that ARFAB stration from the US Navy. supply Britain with an airborne agreement on a UHF frequency early warning system could be eventually can be negotiated. It tract for lack of international frequency used by the Boeing Airborne Warning and Control Systems aircraft operated by Nato. The companies also planto show that the APS-145 radar perfectly operable without a

> The two other main contenders in the airborne early warning competition - Boeing complete its so far unsuccessful Nimrod early warning system, uses an S-band, the same as the Boeing Awacs.

The immediate result was a suggestion by Mr Peter Levene, the MoD chief of procurement, capability of the APS-145 radar US Navy, which operates more than 100 Grumman-built Hawk-The strategy of the two com- eye aircraft with General Elec-

After talks with the MoD in London this week. Grumman officials led by Mr Rolf Larson. Mr George Lombard, a Lock-heed-California vice president. all stressed the advantages of UHF radar over its S-band competitors in detecting cruise missiles and the low observable. so-called Stealth-type weapons, which the Soviet Union is likely

They also emphasised that the US Navy had for years been operating UHF radar equipped aircraft from its carriers around the world, in Europe and elsewhere without interfering with other frequency users. They did not believe the US Navy had ever obtained a dedicated frequency for its Hawkeye early

warning aircraft.
Mr Levene, who has sought to introduce maximum com-petition into defence procurement, is believed to be more concerned than some MoD technical evaluators at the possibility of two important com-petitors being knocked out at this stage of the airborne early

British Gas privatisation planned for November

BY LUCY KELLAWAY

Japanese securities company. has recruited Sir Douglas Wass THE PRIVATISATION of for British Gas will come into to be its non-executive chairman. British Gas, the most ambitious, force on August 23, in time for from August 1. Sir Douglas was permanent will take place in the second of British Gas Plc. On that day. secretary to the Treasury from half of November, Mr Peter British Gas Corporation will 1974 to 1983 and joint head of i Walker Frozent Secretary cease to exist Walker. Energy Secretary, cease to exist. the Civil Service from 1981 to

announced yesterday. He is chairman of Equity and Law Life Assurance, and a the establishment of the regu- ber, by which time the stock director of Barclays Bank and latory system for the privatised market should have regained its the De La Rue Company.

Nomura said yesterday that it Gas Bill, which received Royal scheduled for October 27. expects Sir Douglas to play Assent yesterday. mainly an advisory and ambas-

The Office of Gas Supplies, that the sale will go ahead, sub-the industry watchdog, will ject to market conditions, will come into being on August 18. end rumours that the privatisa-It will ensure that British Gas charges the correct price to its domestic customers and will promote competition in industrial market.

A licence setting out rules privatisation programme.

sale of shares ever attempted, the creation the following day

The City had set its sights on He also set a timetable for a flotation at the end of Novem-

However, the announcement tion might be delayed.

The sale of British Gas shares, expected to raise be-tween £5bn and £6bn, forms the keystone of the Government's

Guinness pressed for pledge on Scots role

By Peter Riddell, Political Editor

THE Department of Trade and Industry is holding discussions with Guinness, the UK brewing and retailing group, with a view to the company issuing a state-ment next week about its plans.

Ministers are pressing for a commitment by Guinness that it shall fulfil undertakings made when it took over Distillers, the spirits group, that the headquarters of the combined group would be in Scotland and that its employment there would be maintained.

The Department confirmed last night that Mr Michael Howard, Minister for Corporate and Consumer Affairs, had seen Mr Ernest Saunders, the Guin-ness chief executive, this week, but it refused to discuss the substance of the talks. The discussions follow a row

in the City and Whitehall over Guinness's announcement a fortnight ago that it was scrapping plans made during the Distillers takeover for group supervisory board, chaired by Sir Thomas Risk, governor of the Bank of Scotland. The Bank of England rebuked the company and Mr Malcolm Rifkind, the Secretary for Scotland, reminded Mr Saunders of undertakings about the future in Scotland of the

enlarged group.

In the background are implicit threats of government action, such as a close inspection of the company

Mr Howard had hinted in a Commons written answer this week that he was looking at two sections of the Financial Services Bill, which proposes a regulatory framework for the City, in the light of events at Guinness. These sections refer to listing particulars and offer documents from companies engaged in takeover bids.

New finance chief at Standard Chartered

MR RICHARD STEIN, finance director of BOC, will join Stan-dard Chartered bank as group finance director in September. Mr Stuart Tarrant, the bank's former chief financial officer contracts. resigned on Wednesday.

David Churchill reports on holiday companies' strategy options

Decision time in tour price war

BRITAIN'S leading package tour operators will over the next few weeks have to decide whether or not to take a gamble and continue their fierce price war into 1987.

Their decision will have to be made against a background of sharply increased numbers of forcign holidays this year but at an equally sharp cost to the travel trade.

Last week Travel Team, a London-based operator trading as Breakaway, became the latest casualty. Its collapse affects 700 holidaymakers still abroad and about 5.000 people with holiday bookings.
Although the rate of tour

operator failures this year is running at about the same level as last year, there are fears within the industry that a rush of other collapses could develop over the next two months as the season draws to a close. Smaller tour operators who

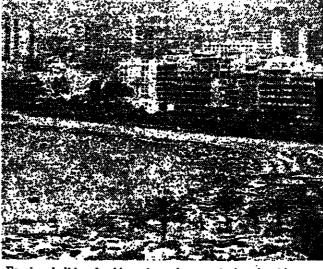
are at present under considerable financial strain still hope that cash flow from the current high-season customers will bring salvation before the receiver has

Last week the Civil Aviation Authority released figures showing just how vulnerable the travel trade is. Eight of the top 30 operators recorded losses totalling £19m last year, while 22 others had combined profits of almost £80m. About £23m of that came from the top two operators. Thomson Holidays and Intasun.

At the same time, travel agents—especially independent ones-are being squeezed by the smaller commissions they receive on bargain - price holidays.

Already, the price war between the leading travel agents has continued over into the winter holiday market, which traditionally is not fought on price.

However, it is the strategy for next summer that is now becoming the biggest worry for travel chiefs.



Foreign holiday bookings have increased sharply this year

Growth of hotel and other Inlasun, the second largest tour costs is forecast at up to 12 per cent in such key destinaions as Spain—by far the most popular holiday destination this summer—and this alone almost guarantees higher brochure

But on top of these rising costs there are the uncertainties at Sorrento in Italy. arising from fluctuating currency prices and aviation fuel The current price war was

launched on an unsuspecting travel trade last October by Thomson Holidays, which cut prices by nearly 17 per cent and doubled its holiday capacity

Thomson's price war quickly sparked off salvos in reply from

International Leisure Group.

operator and part of the International Leisure Group, as well as from Horizon Holidays. The war of words at that stage intensified at the annual jamboree of the travel trade. the Association of British Travel Agents' conference held

Rising oil prices at that time made it look as if the price war would result in hundreds of tour companies going to the wall and revived fears of disasters on the scale of Court Line or Clarksons in the 1970s. What saved the industry from total chaos this summer was the sharp fall in oil prices which led to cuts in the aviation

fuel price, which is responsible

TOUR OPERATOR TO EXPAND expanded to between eight and 10 and will be aimed at

the tour and airline operator. the middle-market. plans to expand its hotel International Leisure is also operation over the next five investing about £10m in modernising the Charing Cross Hotel in central London. years at a cost of about £60m. The company's present chain of three hotels will be

costs.

Mr Charles Newbold, deputy managing director Thomson Holidays, is convinced that the

price-cutting tactic was right.
"We felt that there was scope to increase both the overall market as well as our own share by this means—and this is exactly what has hap-pened," he said.

While the overall summer tour market has grown by about) 25 per cent to some 7.5m holidays. Thomson has seen its share increase from 20 per cent

to over 30 per cent.
Thomson's profit margins have apparently not suffered by chase for market share either.

With Intasun and other market leaders also sharing in the benefits of extra business from the price cuts, it is clear that those feeling most pres-sure are the smaller operators who cannot fight a price-cutting campaign. The price war continues.

Thomson last week cut the price of 100,000 of its 750,000 winter sun holidays after it found itself undercut by Intasun. Yet the real struggle is still to come. Decisions taken in the next few weeks about the pros-

pects for oil prices could easily be upset by factors outside the travel trade's control. It is likely that the leading operators will offer guaranteed prices against any currency increases but will lose their

nerve on fuel prices, retaining the option to impose a surcharge. The price-cutting hysteria of

last autumn, when Spanish holidays were being sold for as little as £5 each, is unlikely to be repeated in any credible way. Instead, brochure price rises of at least 5 per cent are expected. This, however, will still en-able companies such as Thomson and Infasun to maintain their competitive advantage over smaller tour operators—but in less damaging way than an all-out price war.

Caterer drops NHS contract

BY DAVID BRINDLE

SPINNEYS, the most successful Mr Philip Burton, Spinneys' per cent redundancy rebate. Government's competitive tendering programme for the National Health Service, has withdrawn interest in further

The move by the company, subsidiary of Steel Brothers Holdines which says it is dissatisfied with the programme, is a sotback for the Government at a time when ministers are reconsidering their plans, shelved last year, for compelling local authorities to adopt NIIS-style tendering.

Spinneys says it will continue won since the NHS programme ted the programme until, services at the hospital."
began in 1983. However, yesterday it gave four months' notice day it gave four months' notice contract, due to be carried out in Birmingham, after the local health authority refused to straw for his company was the visits to the hospital becaus increase the tender fee by 20 effect of the Government's trade union hostility to

said: "The whole problem is the NHS; forced on an unwilling when a contract in won. monolith.

contractors. Both sides believe Spinney's was one of only a

NHS programme, which also ment agreed to allow manageas well as fixed-price bids.

move to scrap the general 35 tendering programme.

catering company in the marketing and sales director. From next month, he said contractors will have to bear the the way the competitive tender- entire cost of making redun-ing process has been forced on dant an in-house workforce In Birmingham, Spinney'

"It has also been a pretence asked for its fee to be increased that there is fair competition from £610,000 a year to between in-house services and £730,000 for a catering contract begun in April at the 600-head Queen Elizabeth Hospital.

Mr Chris Walliker, Central few catering companies con-sidered enthusiastic about the chairman, said: "This is very unsatisfactory state of affairs involves tendering for clean-because we are already having ing and laundry work. Some financial difficulty in maintain-

Mr Burton added that his company had under-estimated that it will pull out of an eighth ment-fee or cost-plus tendering the cost of the contract. He said this was due to the com-Mr Burton said the final pany making few estimating traw for his company was the visits to the hospital because of

Dairy Crest campaign to continue

INDEPENDENT dairy cong.

panies will continue to press the Milk Marketing Board to sell off its commercial arm, Dairy Crest Foods, inspite of yesterday's announcement of a truce between the companies, the board and the Agriculture Ministry.

The Ministry said Dairy Crest. alleged by its competitors to have enjoyed an unfair commercial advantage, would be in-corporated as a wholly-owned

It will also be subject to stricter monitoring by ministry than previously to ensure it operates like other commercial companies.

This will cover most aspects of its operations, from its financial performance to its borrowing and its milk pricing, supply and haulage arrangements.

Dairy Crest will be prevented from expanding further into the butter or cheese businesses, but it will be encouraged to continue to launch new products.

The board is a co-operative owned by English and Welsh dairy farmers which mono-polises milk supplies. Dairy Crest. Britain's largest manufacturer of butter, skimmed milk powder and Cheddar was criticised in a Government-commissioned consultants' report for making an inadequate financial return for a normal commercial company

West Midlands to lose 1.050 transport jobs

n

Financial Times Reporter

MORE THAN 1.000 jobs are to be lost in streamlining by the West Midlands Passenger Trans-port Executive.

The 1.050 jobs are to go by the end of October with the closure of bus garages in Birmingham, Coventry and Wolver-hampton, the executive said yesterday. It blamed the effects of the 1985 Transport Act, which requires it to operate as a commercial company, rather than partially as a social ser-

The executive has \$.000 employees. This year, it announced the loss of 300 jobs at Walsall and Sandy Lane. Coventry.
Union leaders were told yesterday the Sandy Lane garage
would close, as would others at
Cotteridge. Birmingham, and
Park Lane, Wolverhampton.

University cash from industry up 50%

UNIVERSITIES increased day "Up to one third of the total almost 50 per cent their earnincrease in the number of familings from research done for

industry.

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SURPLUS PROPOSALS

Despite widespread opposition to the must part the proposals in problem of the Chancellor's proposals in problem of the original parties. The original period fund surpluses, the original period fund surpluses, period fund surpluses. Period fund surpluses, in the committee stage. The period in the Communication of the Financial Bill and consults in the consultation of the fundamental bill and consultations. The consultation of the fundamental billing and consultations in the consultation of the fundamental billing and consultations. ant important outcooping GOVERNMENT GOVERNMENT EQUALITY FAILURE The Trades Limit Confresh has told The Trade's Union Congress has fold reight that its proposals on the Government ages fail to tackle the equal retirement of discrimination in the control of discrimination in the control of the control edial tellement ages tall to tackle the real piece. Carmes in its in

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institute head resigns By Richard Evans

Management

D" JOHN CONSTABLE, director-general of the British Insti-iut: of Management for less than a year, has resigned because of problems associated with its move from London to Corby, Northants.

More than 120 of the institute's staff of 150 have moved to Corby and most of the rest will do so soon, leaving only a irandful in London.

Cranticld Business School and a specialist in management education, plans to return to this field as a management consultant, He will retain close links with the BIM.

Sir Peter Parker, chairman, said he was very sorry about who or what the catalyst should the resignation. be, but said its role would be the resignation.

Dr Constable will remain in

Industry 'needs outside help to adjust to market'

BY HAZEL DUFFY

shareholders, acting at the behest of a "catalyst."

This is the conclusion of a report by a working party of ment Council's committee on England has undertaken occa-finance which investigated the sionally on an address to the council form. role of financial factors in Dr. Constable, a former head tion of capacity adjustment and restructuring in industry.

> people from government, industry and the trade unions.
>
> The report did not specify to assemble a suitable consor-

The committee, chaired by Sir John Baring, chairman of Baring Brothers, involved

INDUSTRY probably needs negotiations with management, more outside help to adjust to creditors, existing shareholders present market conditions. This could involve long-term finan-cial support by institutional such matters as the structure, terms and conditions of a financing package and possibly on management changes re-quired by new backers."

The committee suggests three other areas requiring outside help: an early warning system to amplify and interpret market signals for industry; advice to help managers adjust; and a mechanism to alert public authorities—in, for instance, tax and anti-trust-to what companies are doing in adjust-ing to excess capacity. Financial Aspects of Indus trial Restructuring: NEDO Books, Millbank Tower, Millbir post while discussions tium of willing backers. Books, Millbank Tower, Mill-about a successor take place. It would conduct "discreet bank, London SWIP 40X, 15

Poverty-line figures up steeply

BY JOHN HUNT

GOVERNMENT figures showing a steep increase in the number of people living at or below
the poverty line were placed in
the Commons library just
the Commons library just
showed that in 1983 there were
the Commons library first showed that in 1983 there were
the Commons library first showed that in 1983 there were
the Commons library first showed that in 1983 there were
the MP for Derbyshire S. the Commons library just before it closed and when nearly all MPs had left for the No details of the statistics

were given in written answers by Mr John Major, Under-Secretary for Health and Social Security, but he said he had of the methods and assumptions on which the tables were based. Mr Frank Field. Labour MP for Birkenhead, who specialises in social security said tables showed 8.8m living at or below the paperty line. He described to the paperty line. He described to the paperty line at the paperty line and 8.1m are living at the paperty line and 8.1m are living at the paperty line and 8.1m are living and 8.1m are living at the paperty line and 8.1m are living at the latest available. for Birkenhead, who specialises in social security said tables Government's method of on it.

The figures as The definition of the poverty the poverty line. He described

S.Sm people living at or below the poverty line. This was a sharp increase on the figure of 5.9m in 1979, the year the Conservative Government came to

estimates that the present figure is probably about 10.2m. The tables are usually issued two years in arrears so that

This said the low income tables had been placed in the

Commons library, but pointed out that since the Government came to office the real value of supplementary benefit had From the statistics Mr Field risn by 6 per cent. Mr Major claimed that this had distorted the results.

> hes included in the tables is industry and commerce in 1985. directly due to this improvement in the help provided for those most in need," he said.
>
> That was why he had set in hand a review of the methods used in compiling them. He compiling them the latest the compiling them.

publishing the figures as The definition of the poverty used in compiling them. He indiversities carned a further disgracefully underhand and predicted that they would be a week and a married couple unchanged since the first analysis of the kind was make industry. widely used by Labour in the on £44.80. Mr Field put down sis of this kind was made.

National Economic Develop- says. ment Office.

Although industry

MOST plastics processors in small independent businesses Britain would get a better re-turn on their capital if they in-current profitability, and refer vested their money in the Post enquiries about it to the com-Office, says a report from the pany accountant," the report

According to other Nedo criteria, the successful plastics ability has recovered from its average of less than 9 per cent return on capital in 1981, many companies are not profitable enough to invest in new plant, highest possible * level of provide their workers with employment security, says the report.

After examining several successful companies in the industry, the report defines the factors which have

try, the report defines the factors which have improved their sidiaries succed if given as much freedom as possible.

First and most essential, says How to succeed in plastics pro Nedo, the successful company cessing, £3 from Nedo Books, maintains tight financial controls. "Senior executives in don SW1 4QX

Warning over funds for youth training

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE Manpower Services Commission has told the Government that more funds may be to live with the consequences needed if the Youth Training of your decision to fund the Scheme and the Technical and TVEI extension in the way you Vocational Education Initiative propose," the commission must are to develop successfully.

In its response to the white paper, Working Together— Education and Training, pub-lished earlier this month, the commission indicates its willingness to operate within the Government's proposed financial structure. But it warns that funding will be tight and re-serves the right to seek an in-

The Government announced in the white paper that the TVEI pilot scheme, which is designed to offer a broader and more practical curriculum for 14 to 18-year-olds, is to be extended to all secondary

It intends to make an average of £90m a year available to local education authorities over the next 10 years. This money, how ever, will come from the MSC's planned provision for young

Mr Bryan Nicholson, MSC chairman, says in a letter to Lord Young, Employment Secretary, that "the commission that existing planned provision of teachers in mathematics, to run both YTS and a national TVEI programme successfully." heavily depends.

He tells Lord Young that while the MSC will "endeavour

reserve the right to seek extra to ensure the resources delivery of both programmes.

The proposed £90m a year for TVEI development will produce a less generous funding level for the national scheme than the pilot projects have

MSC commissioners who come from the CBI, TUC, edu-cation service and local authorides support the Government's decision to extend TVEL But they have told Lord Young they "determined that the high quality of the pilot scheme should be maintained."

received.

Mr Nicholson says in his letter that "while welcoming the national extension and agreeing that it should be possible to make significant progress on the basis proposed, the commission took the view that funding is tight, as compared with the pilot scheme

people—meaning the re-curvature to of funds previously eartion of funds previously earmarked for YTS and the
marked for YTS and the
resources were adequate to
meet the initiative's aims.

The commission warns it is important to ensure a sufficient supply of qualified, specialist teachers if TVEI is to succeed. as a whole remains concerned Britain faces a serious shortage specialist areas on which TVEI

MPs hit at lack of contract for MoD freight agent

COMMONS

criticised the way a private company has—for almost 120 been allowed to handle Ministry of Defence freight shipments without a proper contract or subjection to com-

ment Freight Agent, responsible for about £50m worth of MoD freight business not carried each year by the services' 68 transport aircraft, nine ships, five tankers and many trucks.
The PAC considers it "extraordinary" that the freight agent's business should not have

been governed by a formal contract for so long, and expresses its "dissatisfaction" that the agent has no financial incentive to maximise value for money in Ministry of Defence, HMSO 54

all new machines registered were in the over-125cc category, up from 21 per cent for the same month last year.

BY CHRISTOPHER PARKES

mation on the management and finances of British Ship-

builders if it was properly to

It acknowledged the extent of the crisis which had swept

... performance...

world shipping. However, it

problems.

and understand the sources of the state industry's

LATEST

THE COMMONS Public placing MoD shipments. It also Accounts Committee yesterday regards as "excessive" the commission formula set for the agents costs plus 14 per cent. Mr Robert Sheldon, Labour

MP for Ashton-under-Lyne and chairman of the PAC, yesterday called on the Department of Transport "to bring what seems Since 1870 Hogg Robinson, to have been a cosy relation-the travel and insurance group, ship to an end or to where you has acted as the official Govern-can justify it rather more than it has been justified so far."

Hogg Robinson said last night discussions with the oGvernment about a contract had started last year, but the complexity of the work, particularly in times of national emergency did not easily lend itself to encapsulation in a

• How well had BS been managed?

Had assistance been used effectively?

• Would BS have been in a

better position if it had closed

more shipyards sooner and

Had there been sufficient

The committee's indirect

The committee repeated ear- request for the Comptroller and that the market for replacement

National Audit Office nad it was 101 mem to ment to run shipbuilders. access to industries' books and and for BS management to run shipbuilders. the enterorise," the report said. "Assistance to British Ship-

up more than £1.4bn of tax- NAO to monitor the depart- Committee of Public Accounts, payers money, the committee ment's monitoring role but not HMSO, £3.40.

modernised the remainder?

· Commons noted its poor corporate plan- to monitor the performance of

Call for access to BS books

investigation into the decline ning record and, more recently BS directly."
of British Shipbuilders raised "the distressing prospect of many more questions than it major closures."

The commit if the audit of the distressing prospect of major closures."

many more questions user answered, according to a report published yesterday by the port published yesterday by the an "informed discussion" in which the Department of Trade which the Department of Trade

Public Accounts Committee.

The committee said it needed greater access to inforneeded greater a

added: "we regret that it is difficult for us to judge whether there have been internal factors such as the Had too much government

quality of BS's management assistance been put into meeting and use of resources which day-to-day losses rather than

lier protests that a proper mea- Auditor-General to be allowed

sure of the accountability of access to the BS books was

nationalised industries could firmly rejected.
be achieved only if the "In their (the DTI's) view.
National Audit Office had it was for them to monitor BS

have had a significant effect on necessary reconstruction?

Dalyell lays Westland leak at PM's door

By Ivor Owen

A NOD, wink, or instruction from Mrs Margaret Thatcher led to the leaking of the letter written by Sir Patrick Mayhew, the Solicitor-General, 10 Mr Michael Heseltine, then the Defence Secretary, at the height of the Westland affair. Mr Tam Dalyell, Labour MP for Linlithgow, claimed in the Commons yesterday.

He asserted that the Solicitor-General had been "used and abused," even to the extent that the tactic of making a selective leak to the Press Association, in order to discredit Mr Heseltine, had been decided before the letter was written.

Mr Richard Luce, who shares with the Prime Minister ministerial responsibility for the Civil Service, scoffed at Mr Dalyell's charges and told him: "One of your obsessions is that there is a conspiracy by the Government against the nation."

He contended that Mr Dalyeli had demonstrated again his capacity to be overwhelmed by his obsessions, to the extent where his loss of balance and objectivity was such as to "diminish the credibility of his

The Labour back-bencher maintained that the only way in which the Downing Street Civil Service machine would have allowed such sensitive material as a Law Officer's letter anywhere near the Downing Street Press Office was because it knew it had to act in accordance with the Prime Minister's "nod, wink, or instruction."

He suggested that fear of bringing down the Government had deterred Sir Michael Havers, the Attorney-General, and the Solicitor-General from resigning over the issue. Mr Dalyell accused the Prime

Minister, Mr Bernard Ingham, her press secretary, and Mr Leon Brittan, former Trade and Industry Secretary, of involvement in the attempt to make Mr Heseltine appear foolish. The only way in which it had been possible subsequently to protect the position of the Prime Minister had been to put

on "understandings or mis-understandings between civil servants," he added. Mr Dalyell protested that this had been done without regard for the fact that it meant "impugning, without good reason, the competence and integrity of civil servants."

the blame for what had occurred

He described the inquiry—conducted by Sir Robert Armstrong, the Cabinet Secretary and head of the Home Civil Service—into a leak which had been authorised by Mr Brittan, as " little more than a charade."

Motorcycle sales fall

By Kenneth Gooding,

SALES OF powered two-wheelers continued to fall in the first half of this year. Registrations dropped 13 per cent to 52,542 from 60,421 for the January-June period in

The steepest decline was in moped sales which fell 22 per cent in the six months, from 22,206 last year to 17,338.

Motorcycle registrations fell by 7.9 per cent from 38,215 to 35,204, says the Motor Cycle

Association. The association says, how-ever the June statistics showed improvements in five main capacity areas, giving the industry hope.

Last month sales were up in the 201ce to 250ce, 251ce to

350cc and in the already-healthy big bike sectors. June figures showed 23 per cent of

The committee was told that

The report also criticised the

department for not doing all it might, in the period before the

present system of subsidies was introduced in December 1984.

to examine contract estimates

and tackle BS when the esti-

mates continually proved to be

pean shipbuilders for sub-sidies to scrap old vessels, the

committee said it hoped the Government would be consider-ing what steps might be taken

within the European Com-

vessels should improve in the

early 1990s, the committee found it difficult to see what

might be done before then to

improve prospects for British

While the DTI maintained

Noting appeals from Euro-

MLOBG.

munity.

the enterprise," the report said. "Assistance to British Ship. FRIDAY: Housing starts and builders, 43rd report from the completions (June). Car and

if the audit office were to take a direct interest the DTI would not be clear what its task was or what the position of the Secretary of State would be.

[Hazel Duffy looks at the Government's stance on Whitehall's structure

Door open for Civil Service reform

IT APPEARS the Government may be tactily acknowledging that the structure of responsibility for the civil service within government needs to be changed.

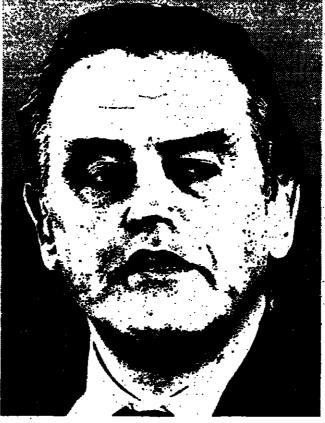
This week, instead of slamming the door on recent rerecommendations from form Commons Treasury and Service Committee — Civil which emanated from a highlevel investigation chaired by Mr Austin Mitchell, Labour MP for Great Grimsby — the Government has suggested that ministers know that all is not well in the service.

The official response comed the committee's report "as a contribution to the public discussion of a number of important and sensitive issues which lie at the heart of the exercise of government in a parliamentary democracy and in a complex industrialised society." The response was in-tended "as a contribution to a continuing discussion, not as the last word in an argument." Alongside the harsh criti-

vants in the headline-grabbing report of the Commons Defence Committee on the Westland affair (published the same day as the response), these words may seem to be an excuse for inaction

The response rejected two of the Treasury and Civil Service committee's key recommenda-tions, namely that there should be a single minister for the civil service and that the posts of civil service head and secretary of the Cabinet (held by Sir Robert Armstrong) should be split.

The Prime Minister was highly unlikely to have sanctioned these proposals at this stage. Sir Robert has already agreed to stay beyond his retirement age until the next elec-tion. This would leave the way clear for a new government, of whatever party, to proceed with changes.



Sir Robert Armstrong: defended dual role

Sentiment is growing that the structure of responsibility for combining the roles was that he the civil service is unsatisfac- saw the Prime Minister daily, tory. Several witnesses, includ- and that there was not enough Edward Heath and Sir Douglas Wass (former Treasury Permanent Secretary) told the Commons committee that Sir Robert's dual goles harbour

potential conflict of loyalties. Sir Robert, twice giving evidence to the committee, denied this. He argued that it is not the job of the civil service head to represent civil servants in particular depart-

for the civil service head to do to make it a full-time job. His critics, including the MPs who reported on Westland, do not agree. In other areas, responsibility

for the civil service is split. The Treasury looks after pay and manpower and the Management and Personnel Office, under the Cabinet Office, looks after

the Civil Service Department in 1981, looks increasingly odd as pay is an increasingly integral part of the services personnel

Mr Callaghan has called the divisions a "mishmash." He said: "The Prime Minister takes on appointments, the Minister of Arts and Culture (Mr Richard Luce, who is also minister for the civil service) minister for the civil service)
gets manpower, which I think
is absurd, and the Treasury
takes a third aspect of the
matter so it divides into three

Many civil servents are unhappy about several things, especially pay and promotion bottlenecks. The committee raised other complaints, particularly those that affect the more senior officials working in Whitehali

Mr Terence Higgins, the chairman, believed accountability was a key area which needed redefinition, particularly in the light of the Westland affair. Does the traditional definition—ministers accountable to parliament, civil servants to ministers, still hold good?

Mr John Ward, general secre-tary of the First Division Asso-ciation, the top civil servants' union, thinks not. He sees civil servants as having been put in an "impossible position"; named and blamed by select committees on Westland and on the tin crisis when MPs could not get at ministers.

The code of ethics, the Armstrong Memorandum, issued by Sir Robert after the messy Clive Pointing Affair, sets out the procedure for civil servants who ministers ask to act in ways which go against their con-Mr Joe Haines described it to

the civil service committee as " a plea for the retention of the personnel management recruit-ment, training, and the like-The division, which came about cricket. It is romantic and un-training, and the like-realistic." The MPs agreed. to inflation.

Bank issues £400m of indexed gilts

THE Bank of England yester-day startled the London securi-ties market by issuing £400m of new index-linked gilt-edged Government stock to meet what it described as "specific investment demand for stock of this type."

Dealers said it was unpre-cedented for the Bank to state its reason for issuing a stock

The stock is believed to be intended to meet sudden need from a large pension fund which requires index-linked gilts in order to match its commitment to increase the pensions it pays out in line with the cost of living.

British Gas, for example, has in the past, as a state-owned corporation, raised pension payments in line with the cost of living. In the process of preparing for its flotation on the stockmarket later this year the company plans to incorporate this and other existing practices into the rules of its pension

The new stock, Treasury 21 per cent index linked, maturing in 2016, is to offered by tender next week to allow the investor that has expressed its interest and other interested investors to bid for it. No minimum tender price is stipu-lated, but £40 will be due immediately with the remainder to be paid on September 8.

With only £10bn of indexlinked gilts in issue, the new £400m tranche is a larger addition to the market than is usual. Index-linked stocks, whose capital value and interest payments both increase in line with the retail price index, are mainly bought by pension funds and

Claims likely over shelved local radio

By David Thomas

APPLICANTS affected by the Government's decision to shelve an experimental national network of community radio stations are considering claiming compensation.
Nearly 280 of them applied

for the 25 radio licences the Government intended to allo-cate under an experiment it shelved this month partly because of its concern about lack of regulation.

Government decided instead to look at the issue as part of a green paper on the ture of radio.

Representatives of about 100 applicants met in London this week and agreed to collect information on the costs incurred by applicants. Applicants might use the information to claim compensation against the Government.

Ms Maggie Stevenson, from
South London Radio Partner-

ship, who organised the meeting, said: "The fact that 100 of us have got together shows we're not going to let the issue rest."

She added that the applicants' priority was to persuade the Government to change its

Representatives of the appli-

cants would therefore seek an urgent meeting with Home Office ministers to persuade them that at least one or two pilot schemes should be tried. The aplicants would draw up their own proposals for a regu-latory system to meet the government concern, Stevenson said.

They will also ask the Home Office to release the list of those successful in bidding for licences, which the applicants believe had been prepared.

ECONOMIC DIARY TOMORROW: Mr George Bush,

US Vice-President, visits Jerusalem (until July 30). Thai

general election. MONDAY: Opec oil ministers meet in Geneva to discuss oil prices and quotas. Reuters interim figures. TUESDAY: Sir Geoffrey Howe, Foreign Secretary, has second meeting with South African President Botha Bricks and cement production and de-liveries (second quarter provisional). CBI publishes industrial trends survey (July). British Coal issues annual report. National Westminster Bank Interim results. US second quarter productivity data. WEDNESDAY: Overseas travel and tourism (May). New vehicle registrations (June). Mr George Bush, US Vice-President, to visit Jordan (until Afghanistan resume in Geneva. THURSDAY: Energy trends (May). UK balance of payments —overseas earnings of the City (1985). London Chamber of Commerce hold seminar on "The cause and effects of the 'big bang'" at the Savoy Hotel,

WC2. New Zealand Govern-

ment presents budget for fiscal

1986-87. US index of leading

indicators (June). Midland Bank interim figures. FRIDAY: Housing starts and

commercial production (June,

THE WHARF COMPANY



The Hongkong & Kowloon Wharf & Godown Company, Limited

Group Results

Highlights

Consolidated turnover increased by 112.3% from HK\$1,530.2 million to HK\$3,247.9 million. Consolidated profit, after tax but before extraordinary items. and earnings per share both increased by 50.8%, from HK\$468.9 million to HK\$706.9 million and from 30.1 cents to 45.4 cents respectively. Net extraordinary profits amounted to HK\$7.9 million.

 A final dividend of 23.0 cents per share is proposed, making at total dividend of 31.5 cents per share in respect of the year. This represents an increase of 50.0%, compared with the 21.0 cents per share paid for the previous year.

 To mark the centenary of the founding of the Company, a capitalisation issue of 1 new share for every 10 shares held and a bomus issue of 1 centenary warrant for every 10 shares held will be proposed. Each warrant will entitle warrantholders to subscribe HK\$7.50 for shares in the Company until \$1st.
December, 1990 at an exercise price, subject to
adjustment, of HK\$7.50 per share. It should be noted that the exercise price takes account of the proposed 1-for10 capitalisation issue and should accordingly be compared with the ex-capitalisation price of the Company's shares. The capitalisation issue and bonus centenary warrants will be subject to the approval of Members at an Extraordinary General Meeting to be held immediately following this year's Annual General Meeting and to listing being granted by The Stock Exchange of Hong Kong Limited.

The Group's financial position continues to be strong Total current assets exceeded total current liabilities by HK\$1,968.1 million as at 31st March, 1986.

The acquisition of Wheelock Marden and Compa Limited ("Wheelock") in 1985 was about HK\$2,500 million. The Company has accelerated the retirement of the debt that arose therefrom and total borrowings for the Company and its wholly-owned subsidiaries less their total liquid funds and financial investments now stand at slightly higher than HK\$900 million.

Hong Kong, 25th July, 1986.

 To reflect the Company's current status as a parent holding company of a diversified group, a proposal to change the name of the Company to "The Wharf (Holdings) Limited" will be put forward for the approval of Members at the forthcoming Annual General Meeting.

With the satisfactory recovery of the property market in 1985, the Group's substantial interest in the property sector has recorded increased profit. The Group's prime properties at Kowloon Point have performed particularly well and both Wheelock House and Lane Crawford House in Central have become fully leased by the end of 1985. The Hongkong Hotel, The Marco Polo and The Prince,

the Group's three hotels in Hong Kong, have achieved increased profits, with high occupancy levels and improved room rates. There was, however, no improvement in the performance of Hotel Marco Polo, Singapore, being affected by the local market depression. Marco Polo International has been set up as a division to assume the management of the Group's four hotels effective from 1st January, 1986.

Refurbishment plans for the Tramways and the Star Ferry are now in progress with a view to improving services and increasing revenue. The proposed relocation of the tram depot to two new depots at either end of the system has been approved by the Government in principle.

The performance of the Group's terminal and warehouse operations was satisfactory. Improved returns were received from the Group's 40%-owned associate, Modern Terminals (Berth 5) Limited. Agreement in principle has been reached to merge this company with Modern Terminals Limite!, resulting in the Group becoming the single largest shareholder in the merged company.

The integration of Wheelock into the Group has been substantially and satisfactorily completed. Certain unprofitable or non-strategic subsidiaries have already been sold or have ceased business. Wheelock's businesses in trading and retailing, manufacturing and commercial services have reported satisfactory

Summary of Group Results For the year ended 31st March	1986 HK3 milion	1985* HKS million
Turnover	3.247.9	1,530.2
Profit before taxation Taxation	1,185.2 146.8	577.6 66.5
Profit after taxation Minority interests	1,018.4 311.5	511.1 42.2
Group profit before extraordinary items Extraordinary items	706. 9 7.9	468.9 35.7
Group profit after extraordinary items	714.8	
Earnings per share before extraordinary items	45.4c	30.1c

The Annual General Meeting and the Extraordinary General Meeting of Members of the Company will be held on Monday, 29th September, 1986. The Register of Members of the Company will be closed from 16th September, 1986 to 29th September, 1986, both days inclusive.

By Order of the Board WORLD-WIDE SECRETARIES LIMITED



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BA says cheaper fuel will not lead to lower fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

REDUCTIONS in the cost of lower crude oil prices are not decline is nothing like that directions." likely to bring down air fares but will only go some way offsetting cost increases in other areas.

Mr Colin Marshall, chief executive of British Airways, says that extra security pre-cautions, higher landing fees and air traffic control charges, together with monopoly fuel suppliers at some places who do not pass on cheaper fuel costs, mean that reduced fares are out of the question.

"We stand a much better chance of controlling fuel costs, not through lower prices, but through technological development," he says in the latest issue of Business Life, BA's magazine.

Mr Marshall points out that while crude oil prices have dropped considerably, this has not necessarily ben passed on in

BY MICHAEL DONNE,

proach to its task.

MR JOHN MOORE, Secretary

for Transport, has urged Mr

Christopher Tugendhat, chair-

man of the Civil Aviation Authority, to have a more

commercially - orientated ap-

In a letter to Mr Tugendhat.

Mr Moore points out that the

CAA, the governing body of UK civil aviation, has operated

with its present structure since

1972, except for the formation

of a separate subsidiary com-pany for its Scottish aero-

THE GOVERNMENT is still

seeking ways of privatising the Crown Suppliers which fur-

nishes public buildings and runs

Ministerial cars, despite oppo-sition to the proposal in a recent report by senior civil

In a review last year of the

future of the Crown Suppliers,

a self-financing business within

the Government with a turnover

of more than £240m, officials

decided privatisation would be

feasible but would not neces-

BY RICHARD EVANS

which we have seen in crude oil," he says.
" Moreover, the notional price

of aviation fuel in world markets is one thing: the price that we pay at individual airports around the world is quite an-

While BA can bargain on fuel prices at some airports, at others it has no choice but to pay the price demanded because the local supplier has a monowhere that applies, air-

lines can expect to pay prices that bear no relation whatever to the theoretical free market figure," Mr Marshall says. Our most effective response is to pick up as much of our fuel as possible where it is

cheapest. "No foreseeable reduction in fuel prices is going to do more, I am afraid, than help to offset

"The time is ripe to review

its organisational structure, and

this you should do, assisted as necessary by outside manage-

ment consultants," says Mr

"This review should have in

mind the need to encourage further a commercial approach

within the authority, and to

devolve management respon-

It should also "ensure

Instead, they called for greater efficiency and the con-

tracting out of certain activities.

Environment junior Minister,

said in a Commons written answer yesterday: "Despite these recommendations, Mr

Nicholas Ridley, Environment

Secretary, and myself believe

that privatisation may be a

He said the Government-

without commitment "-had

valid option."

However, Sir George Young.

sarily be in the public interest. decided it was timely to seek

Sale of Crown Suppliers still sought

Moore.

sibility.'

"Although aviation fuel the kind of uncontrollable cost aviation fuel as a result of prices are tending to drop, the increases we face in other

> However, technological developments on the way, such as the prop-fan power-plant concept that gives substantial savings in fuel costs over conventional jet engines, will do much to help airlines' costs.

> It holds out the prospect of an aircraft that will fly fast as present jets, but will use only about 40 per cent of the fuel per seat-mile consumed by a Trident 3.

By the turn of the century, a lot of British Airways' passen-gers will probably be flying in prop-fan aircraft.

Meanwhile, BA is to install improved jet engines in its Rolls-Royce-powered Boeing 747 Jumbo jets, at a cost of £100m. This will be justified by the improved range and lower fuel consumption of the modified

adequate control of both capi-

tal and current expenditure,

and consider the need "to con-

tinue to take a corporate view

of its priorities, set targets for

parts of the business and ensure they are achieved."

is ordered to review the National Air Traffic Services,

controlling all aircraft move-

ments over the UK, and to con-

pliers for such operations might

the advice of an outside insti-

tution, probably a merchant

bank, on the feasibility of pri-vatising all or part of the Crown

Suppliers, including the pos-

sibility of some form of management/staff financial par-

A decision on privatisation, he said, must take account of

the costs and benefits to the

Government, including the marketable value of the organi-

sation and the effects on other

ticipation in the business.

Government departments.

whether alternative sup-

In particular, the authority

Be more commercial, CAA told

Last year's losses were apparently caused by the cost of developing new products and investment in the company's education programme which is aimed at informing the public about fair trade. However, Traidcraft is expecting a modest surplus for the

Traidcraft says it has sold more than £9m-worth of products in the last seven years, mostly from community-based projects in developing countries. Its work supports more than 6,000 people in the poorest countries and it is making its £1.15m share offer so that it can finance further growth without the need for

Some 1m non-voting B shares are being issued at £1.15 a share, but the com-pany warns they should not be regarded as an investment

is adimed at people who are interested in the well-being of the weak and disadvantaged. However, there will be a gross dividend yield of up to 6 per cent, and investments of £500 or more will be eligible for tax relief under the business expansion scheme.

Share offer aimed at boosting love and justice

By Richard Tomkins

A BRITISH importer of Third World products is pricking investors' con-sciences with a share offer aimed at helping increase "love, justice and equity" in international trade.

Traidcraft, a company based in Gateshead. Tyneside, was founded in 1979 to work for fairer trading systems with poor countries by setting 2 practical example. It imports and markets products such as tea and coffee, handicrafts, textiles and carpets.

From a quoted company's point of view, its example lacks obvious appeal: pre-tax profits, after five years of steady progress to £59,000 in 1985. Swung to a £51,000 deficit in the year to last March on turnover up from

£2m to £2.7m. Traidcraft, however, is not a quoted company. It is con-trolled by a charitable trust called Traidcraft Exchange whose objective is to apply Christian ethics to international trade, and it does not want to make large

current year.

high profits.

for profit.

The company says the offer

David Thomas on plans to attract private capital to the mail industry

Post Office ponders joint ventures

are busy pondering the implications of an instruction they received this week from Mr Paul Channon, Trade and Industry Secretary, to consider using private capital.

Their first reaction was defensive: No, the instruction did not herald the privatisation of all or parts of the busi-ness, a move long feared by union leaders.

Department of Trade and Industry officials were equally categorical on this.

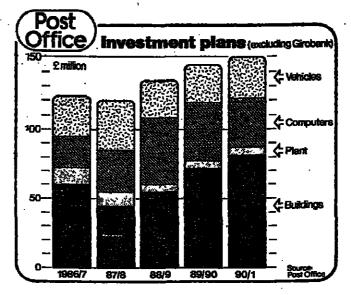
But the next reaction at the Post Office's Victoria headquarters was one of interest. After all, on the day Mr Channon gave his instruction, Sir Ron Dearing, Post Office chairman, was complaining that the external financing limit and the limit on capital spending set by the Government were constraining the corporation's

So why not agree to some joint ventures with the pirvate sector to attract cash for the Post Office's modernisation? For the moment, the Post

investment plans.

Office is keeping its councel about the best prospects for such ventures. But its investment plans encompass several areas where there is notential for risk-sharing with the private sector. They include:

• Property: The Post Office uses buildings on a huge scale. much of its capital investment over the next five years will go on buildings. Some form of private capital participation in its property development, perhans on a sale and lease back basis, could prove helpful.



Much of the research on more it wants to extend the coverage effective equipment such as of its next-day Datapost service coding and sorting machines, is within Europe and the US. carried out by the Post Office. Private capital could participate which would keep the patents.

The Post Office's main sup--companies like Fraze Nash, the electronics and engineering group, Plessey and GEC, could share more of the development costs, in return for some share of the returns. Counter automation: The Post Office intends to agree main contracts for its counter

automation plans in the autumn. The first phase will cost £60m over five years. Again, this would appear to be a candidate for risk sharing.

Premium services: The Post Office has plans to develop its the help of Barclays. Equipment development: premium services, For example,

in these relatively discrete services. With National Girobank, the Post Office's banking subsidiary, the opportunities for joint ventures are perhaps even more

abundant. Over the past three years, it has started to broaden its services, often in partnership with the private sector. It has a 20 per cent stake in the Link cash dispensing service, giving it more comprehen-

sive national coverage than it would have developed by itself. It launched its Visa service with

has plans for more services, starting with mortgages in the autumn, for which Girobank will be in partnership with.

Segwick the insurance broker. Other proposals Girobank is considering include a high interest deposit account; improved overdraft facilities: new types of plastic card account; marketing the new Personal Equity Plans: and get- 4

ting into unit trusts.
Some of these would have to be the product of joint ventures. Girobank is not thinking of setting up its own unit trust operation, but marketing existing unit trusts in Post Offices. with final transactions being done over the phone, "We're done over the phone. "We're trying to turn Girobank into a mail order by telephone com-pany," explains Mr Williamson. There is plenty of potential for joint ventures with the priproblems may lie in two areas

within government control. there is little point. from the Post Office's view-point, in attracting private, capital if the Government's immediate response is to increase the corporation's external financing limit. It is not clear whether the Government would be flexible on this.

Second, the Post Office is prevented by law from dealing with the private sector in certain areas. For instance, it would need a change in the law to start offering airline tickets or theatre tickets.

The Post Office might bounce a few demands of its own back. to Mr Channon when replying Williamson, to his instruction.

Royal Assents close Commons session

BY JOHN HUNT

A TOTAL of 17 bills, many of mentary benefit will no longer mental review of social security privatises the gas industry, the them major and controversial be able to claim a full rebate. Since the second world war, Finance Act that implements them major and controversial measures, received the Royal Assent yesterday, bringing to an end a busy Commons session which had clogged the legislative machinery.

The Social Security Bill, on which the Government had to reverse important amendments by the Lords, was one of the main items to become law.

It changes profoundly the

State earnings-related pension scheme and amends housing benefits, among many other provisions. One clause which attracted particular opposition means that people on supple-

of their local authority rates. and said it would direct help Mr Michael Meacher, the more effectively to people who Labour Party's social security need it most spokesman, said yesterday that, if his party comes to power before the Bill is implemented in 1988, it will block the measure. If it comes to office later, it would repeal the bulk Wages Bill which removes workers under 21 from the protection of Wages Councils.

He described it as "the most callous and outrageous example of the Tories' new 'caring

capitalism. the Social Services Secretary.

described it as the most funda-

However, Mr Norman Fowler.

young people and encourage enterprise by lifting from

business the burden of complex

Another controversial mea-

Mr Kenneth Clarke, Pay-

master-General, claimed yester-

day that it would create jobs for

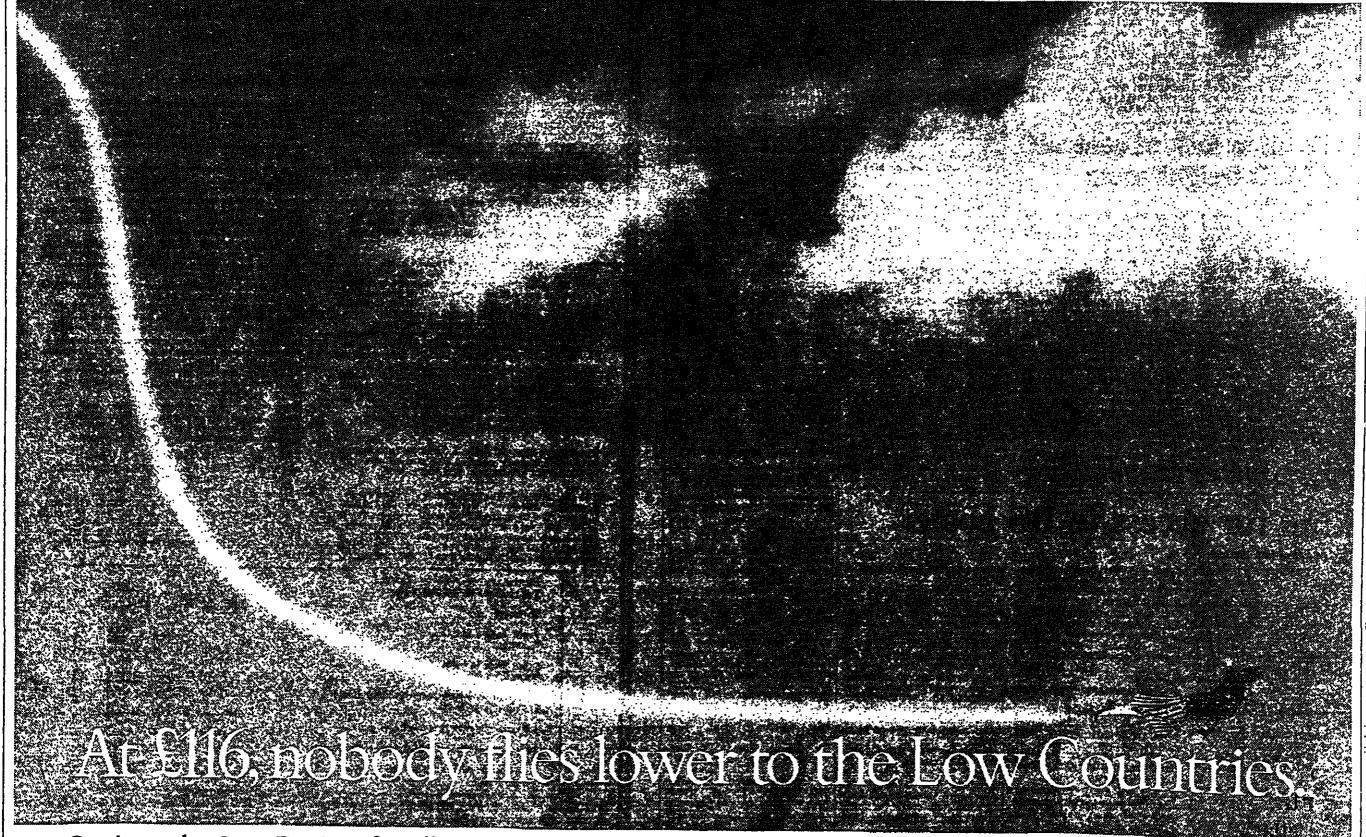
the Budget, the Dockyard Services Act that transfers the Royal Dockyards to commercial Another controversial mea-management, the Insolvency sure to become law was the Act, the Crown Agents (Amendment) Act and the Company Directors (Disqualification) Act. There are, however, still

several major bills before the House of Lords. These will be dealt with next week and in the overspill period later in the

These include the Financial. orders by the councils.

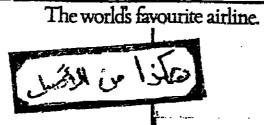
Others receiving the Royal

Services Bill, to effect selfregulation in the City in pre-Assent were the Gas Act that paration for the Big Bang.



Our Amsterdam Same-Day Saver fare offers the best value around with a choice of 3 flights out of Heathrow and 3 back, Monday to Friday. Contact your travel agent or British Airways travel shop for the low down.

BRITISH AIRWAYS



Lucas Industries

he became chairman of Lucas

Aerospace, Lucas Girling, Lucas CAV and Lucas Industries Inc

(North America). In January 1984 he became chairman of the

other Lucas major subsidiaries Lucas Electrical, Lucas World Service, Rists and Lucas Indus-trial Systems.

Mr Peter Parsons has been

Mr Peter Parsons has been promoted to managing director for Europe, the Middle East and Scandinavia for US TOBACCO INTERNATIONAL, part of US Tobacco. Mr Parsons was formerly regional director UK, Scandinavia, Africa, France and Germany. He succeeds Mr Joe Taddeo who is returning to US Tobacco International's head-granters in the US where he will

quarters in the US where he will be responsible for the company's

European and Middle East as

well as Central and South Ameri-can operations. Mr John Waliter, European marketing director, has been promoted to regional

director for the UK, Scandinavia and Africa.

STAFFORD KNIGHT AND

Mr Peter Shaw has become group accountant at THE BARSHOP GROUP. Before join-

ing Barshop, Mr Shaw was a management accountant with a

AT ARTIX Mr David N. Clarke

has become managing director. He joins Artix from Sheffield Forgemaster Holdings where he

was managing director. Mr D. J. B. Brown relinquishes the title

of managing director but remains

SIMON ENGINEERING has

appointed Mr Ralph Parsons as finance director of its contracting

group. He was formerly finance director of Stothert & Pitt.

*
Mr J. Kenneth Gledhill has

been appointed managing director of HENRY BOOT DEVELOP-

MENTS, the property develop-ment company of Henry Boot &

Sons. Prior to this appointment

local building society.

| Deputy chairman at

THE TEACHING unions yester- result from the planned contract time of two hours a week for day rejected pay proposals changes. tabled at the opening of weekend negotiations on a new at a Coventry hotel yesterday, the primary sector, would have employment contract and the unions were united in rejec-salary structure for teachers in tion of the salary figures. These staff members.

determined to progress towards £14,000.

an agreement and to compro- After

The education authorities' proposals would add at least £650m to the annual pay bill through the phasing in over a five-year period of a revised salary struc- employer concessions on teature. Excluding yearly cost of chers' obligations to cover for financial pressure living increases, this would absent colleagues. Second, they as "very high." increase salary costs alone by demanded contractual limits on Any agreements.

further unspecified costs teaching periods.
through the "significant man- In their propo through the "significant man-power implications" expected to ployers are offering non-contact \$450m a year extra.

At the opening of negotiations warning that extending this to England and Wales.

Would give starting pay of
However, there were signs
that the unions and education
authority leaders were equally

to the starting pay of
synchronic pay of the carried pay of the control of the control of the starting pay of the control of the carried pay of

> After indications that these tion with the unions. figures could be reviewed, discussion moved to contract employers leader, said he issues, and concentrated on two questions.
>
> Hr John Pearman, the employers leader, said he wanted to reach "heads of agreement" this weekend for

First, the unions pressed for further talks in the summer. employer concessions on teaclass size and teaching time, In addition there would be allowing for non-contact or non- to the Government for funding

Move to halt prison governors' defection

LEADERS OF the Society of moved yesterday, to try to prevent defection from the union by

A meeting of the SCPS executive council called for talks with the governors, who have been considering proposals for a breakaway "non-

Mr Leslie Christie, SCPS general secretary, said last night: "We believe we can find a system that can meet most of their concerns. Our record on representing them stands any comparison."

political" union.

The issue came to a head after Mr Christie counselled a meeting of the prison governors section, due to have been held this week to discuss service conditions, when it was learned that the possibility of leaving the union was also to be con-

There has been friction between the prison governors and the SCPS Home Office group, within which they fall. This began over the nature of evidence to be submitted to a government review on prison management.

It is also likely that there has been unease among the prison governors over the political stance of the union which, though not affiliated to the Labour Party, is regarded as being strongly left wing.

• The SCPS executive yespay offers to two groups of the staff who brought the work of the union to a halt on Thursday with a ene-day

strike. The strike, staged by the entire branch of the whitecollar union Apex, the staff's union, was followed yesterday by the start of a work to rule by the employees in dispute
—negotiating officers and executive assistants.

The executive has offered the executive assistants 8.6 per cent on the basis of an index-linked formula.

The negotiating officers have been offered 6 per cent,

the same as SCPS members. with an alternative option to ments in an 11.3 per cent

ICI unions to vote on strike over pay

BY HELEN HAGUE, LABOUR STAFF

Chemical Industries manual workers are to be balloted on strike action after pay negotiations broke down yesterday.

The company's 5.3 per cent offer has already been rejected by the six unions which make up the negotiating team after

more than 60 British plants. Management originally offered a 4.4 per cent rise. It refused yesterday to increase the offer—said to be worth between £6 and £9 a week.

consultation with members at

Mr Fred Higgs, acting secretary for the Transport and General Workers' Union's chemical trades group, which represents 14,000 ICI manual workers, said a yes vote for industrial action would have a huge impact on British manufacturing industry. ICI is the largest supplier of chemicals to industry.

He said the unions had been forced into holding membership ballots on industrial action because the company has

Mr Anthony Grabiner, QC, for

six companies in the News

International group and an advertising manager on The Times, said: "The unions never

seriously intended to make a deal with Mr Rupert Murdoch."

of the companies' claim for in-

junctions banning the unions from organising anything except

lawful picket of six at the

yesterday.

MORE THAN 30,000 Imperial refused to increase its offer in the face of an earlier rejection. ICI said yesterday it was disappointed with the union's response. It believed the offer as realistic, considering falling inflation.

> from June each year. Last year the unions settled at the management's final offer of 7.5 In May this year the Chemical

gave a 5.3-per-cent rise in new money plus a 2.1-per-cent rise made up of consolidating exis-ting payments into basic rates.

in response to the unions' con-

tention that the News Inter-national companies should not

be granted injunctions because

they had not come to court with

He disputed allegations that

News International witnesses

"sham" plan to print a new

London evening paper, the

Post, at Wapping while in

reality planning to transfer the

'clean hands."

Sham 'Post' plan denied

THE PRINT unions never had Graphical Association and six

any intention of agreeing to union officials are fighting the their members working at News move, claiming that they have

International's plant at condemned and not encouraged Wapping, east London, it was claimed in the High Court Mr Grabiner's comments came

He was making submissions had misled the court and on the 12th day of the hearing "duped" the unions by a

director in 1980 and in this role

The annual pay deal runs

Industries Association, which represents companies such as BP Chemicals, Albright and Wilson and Laporte, reached a pay deal with the unions which The unions are the TGWU. the electricians union EETPU,

the Amalgamated Union of Engineering Workers, the General, Municipal and Boilermakers' Union, the construction workers' union Ucatt and Tass,

LUCAS INDUSTRIES hos Michael Christophers a director appointed Mr A. K. (Tony) Gill and general manager. In addition to his existing responsibility for administration and actuarial 1. He will continue in his current role as group managing his new role will include respondirector in addition to the wider sibility for training, human responsibilities of his new resources and DP/Infotech. responsibilities of his new appointment. Mr Gill was appointed joint group managing

Mr Robin Young has been appointed a director of THE SECURITIES TRUST OF SCOT-LAND. He is a director of Martin Currie, the independent Edinburgh investment managers.

The initial boards of the four The initial boards of the four new banking companies—TSB ENGLAND & WALES, TSB SCOTLAND, TSB NORTHERN IRELAND and TSB CHANNEL ISLANDS—have been appointed. The companies were established following the restructuring of the TSE Ground. the TSB Group.

At England & Wales Mr Nigel Rohson has become chairman, and Mr George Burnett and Mr Kenneth Millichip deputy chair-men. Mr Alistair Boyd, Mr Brian Cooper, Mr Leonard Corp, Mr Kelvin Mills, Mr Lesile Priestley (chief general manager) are executive directors. Mr Neville Barkes, Lord Bruce-Gardyne, Mr Philip Chariton and Sir John Read have been appointed non-executive directors.

The TSB Scotland board is as follows: Mr Richard Ellis, chair-STAFFORD KNIGHT AND
CO, Lloyd's Brokers has made
Mr John Hart joint managing
director. Mr Hart retains his
position as managing director
of Smallwood Taylor Insurance
Brokers. Mr James Dunford is
appointed a director. man, Mr Forbes Macpherson, deputy chairman, Mr Anthony Davidson, Mr Alistair Demoster. Mr Ian Macdonald (chief general mr lan Macdonald (Chief general manager), Mr David McLean and Mr Eric Wilson, executive direc-tors. Mr Lyndon Bolton, Mr Philip Chariton, Mr John Cradock, Mr Edward Cunning-ham, Ms Margaret Hook, Mr Ronald Macpherson and Sir Jack Stewart-Clark have been made

non-executive directors. Mr Stanley Rainey has been appointed chairman of TSB Northern Ireland and Mr William Carson has become deputy chairman. The executive directors are Mr Francis Cushnahan, Mr Walter Green, Mr Bryan Johnston (general manager) and the non-executive directors are Mr Philip Charles Mr David Fare. Philip Charlton, Mr David Fawcett, Mr Edward Johnston, Mr Thomas King, Mr Eric Martin, Mr Eric McDowell, Mr Andrew Russell. Mr Robert Toland and

Mr Elliott Wilson. At TSB Channel Islands, Mr. Reginald Jenne is chairman and Mr Dennis Creasey deputy chairman. Mr David Gibson, Mr Moore Harvey (general manager) and Mr George McD. Thain are executive directors. Mr Peter Blampied, Mr Philip Charlton, Mr Peter Harwood, Mr Donald Le Boutillier, Mr Rodney Picot, * Mr Ronald de Putron and Mr
CROWN FINANCIAL MAN- Harry Taylor have been appointed AGEMENT has appointed Mr non-executive directors.

Tass votes for action at Lucas

BY HELEN HAGUE, LABOUR STAFF

MEMBERS of Tass, the manu- 433 accepted. Those voting of limited industrial action for a bigger pay offer from Lucas aerospace components group. the company had made a
The company has offered radical proposal which Tass
pay increases of between 3 and claimed would allow plant manper cent, says the union, which claims a 12 per cent rise a pay rise this year.
on basic rates across the board. The union says this was Since the offer was made on

sections for limited periods and selective half-day stoppages. During earlier negotiations, agers to choose who would get

dropped this week, as a pre-Monday, the union has concondition for pay talks, but No-one at the company was sulted its members, of whom emphasised that the pay offer available for comment last 2,353 rejected the offer and was completely unacceptable.

It plans to impose sanctions facturing industry union, have against also endorsed a pack- at work next week and is seek-voted by a three to one age of industrial action, to ing a co-ordinated approach on majority to begin a programme include withdrawal of key pay with the two other white collar unions represented at Lucas—ASTMS and APEX Mr Chris Darke, a Tass national officer, said yesterday:
"The union's members have decisively endorsed their negotiating committee's recommendation to reject the company's offer, which Lucas said was as far as it was prepared to go.

secondary school teachers only.

tion authorities after consulta-

financial pressures on the talks

Any agreement emerging from the negotiations will go

approval. Ministers are sticking

BBC TV technicians' dispute settled

BY OUR LABOUR STAFF

A FORMULA aimed to settle nixing technicians has been

The RRC and the Broadcastng and Entertainments Trade pute, which is mainly about a Villance agreed during lengthy alks at the Advisory, Concilia-Cion and Arbitration Service.

The Corporation has agreed conduct a full review of the 'ision-mixers' job and their staged a 24-hour stoppage. based in London a cepartment's overall structure. They are responsible for split- 20 in the regions.

further industrial action meanwhile by the technicians.

A re-emergence of the disgrading claim, had threatened to disrupt television coverage of the Commonwealth Games.

March vision-mixers when

A report will go to the screen effects, captions and the long dispute between the alkance by the beginning of other superimposed TV images.

BBC and more than 50 vision-next year. There will be no After the March stonnage. After the March stoppage, both sides agreed to binding arbitration by Acas, which rejected the technicians' claim for higher grades.

> out certain duties. There are 32 vision-mixers based in London and more than

Since then, though, vision

mixers have refused to carry

Wapping plant. companies' entire Lox Sogat '82, the National ing operations there.

THE EMPLOYMENT Appeal

colliery. The tribunal, presided over by Moderate Union Mr Justice Popplewell, will give Mineworkers.

judgment on Thursday. The board is appealing against an industrial tribunal ruling in May that it broke the 1978 Employment Protection Act by refusing NUM miners a Mr Gledbill had been executive director of the development com-£5.50 a week pay rise already being paid to members of the Moderate Union of Democratic

Miners' pay ruling reserved

Tribunal yesterday reserved judgment on a bid by the National Coal Board to overturn a ruling that it acted unlawfully by withholding a pay rise from the National Union of Mineworkers at a Leicestershire

pany since 1982.

XIII COMMONWEALTH GAMES

Be a Sport-Help the Games.

SCOTLAND 1986

The Commonwealth Games got off to a brilliant start on Thursday in Edinburgh. They have been helped by the support of British newspapers and industry.

But money is still required. And you can help.

Personal and business donations can be sent to our FREEPOST address or handed over the counter at any branch of the NatWest or the Royal Bank of Scotland.

You are also invited to

join in a contest to win \$100,000 plus a range of other exciting prizes including: a Jaguar Sovereign 4.2; champagne flight on Concorde from British Airways; a holiday for two in Antigua from Kuoni; a stylish presentation case containing a 22 carat gold medal of the Games, a sterling silver medallion celebrating the Royal Wedding plus a unique record in book form featuring both events.

Just answer the TWO

questions and send your coupon to:

Commonwealth Games Contest, FREEPOST, London El 8BR. Or write your answers on a piece of paper with your name and address. No stamp is needed.

What we would like from YOU is a donation which would contribute to the huge cost of organising and staging the Games.

We'd like at least \$1 and moreifyou can. The donation is voluntary and will be a gift from you to the Games.

EVERY entrant has an equal chance. All you have to do is to answer these two questions about the Games:

In which stadium are the Games being held? a. Wembley; b. Meadowbank; c. Old Trafford.

2 Cram is one of Britain's world record holders. What is his first name? a. Robert; b. David; c. Steve. The winners will be the first correct entries drawn at a

special ceremony on TV in Edinburgh on the LAST day of the Games, August 2. If you don't want to post your entry, you can hand it in at any branch of NatWest or the Royal Bank of Scotland, along

To be included in the draw, please remember-we MUST receive your entry at either of the banks by Monday July 28, or your postal entry by first post Friday August 1.

with your donation.

Please, please give generously. Please don't send cash by post-only cheques and postal orders, made payable to: Commonwealth Games 1986

	Be	a	W	in	n	er
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Question	1	•	 	
Question	2	·	 	
Name			 	
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Saturday July 26 1986

Bad times for market gurus

to most financial markets are by this newspaper this week parily a response to reality, but The problems of regional partly a loss of self-confidence. decline are also obstinate, and partly a loss of self-confidence. Official and unofficial growth forecasts are being revised ing countries of the third world downwards, and profits fore the most pressing and insoluble casts are being trimmed rather of all. more sharply; but this does little more than bring the forecasts into line with the realities which businessmen (and readers of these columns) should have anticipated all along. The experience of flat output and desperately com-petitive product markets has never looked remotely like the boom the markets seem to have imagined.

For the gurus who lead market opinion, however, the disappointment has been sharp, fore to be exaggerated. The same analysts who were preaching the joys of disinflat-tion not much more than a month ago now talk grimly of the perils of deflation; the innocent might find it hard to realise that these are two aspects of the same process.

The delusion which market gurus find it almost impossible to resist is that what is good for the financial markets is also good for the real economy. The end of inflation is indeed good for financial asset values, as they have always argued: bonds promise a real income, restrictive government policies which have inhibited real growth can be relaxed. However, the squeeze which so drastically reduced inflation had an impact on the real world too. This seems to have escaped the gurus, who mistook the relief of slow convalescence for bounding good health, and dressed up their over-optimism in a lot of rather fanciful

Regional decline

The truth about the real world is not particularly encouraging, but it certainly need not prove disastrous. There is a growth recession, which can be contained, given sensible policy responses. It reflects mainly a sharp fall in investment demand. This is partly the result of deliberate policies, since ad- self-confidence in the financial ministrators always find invest- markets, will probably be seen ment the easiest target when as a helpful restoration of government calls for economy, balance in the not too distant partly because of technical and future. The young men who intensive energy field, and not, after all, done a notably partly because the world-wide good job in running the world shift to the service economy has economy, and pragmatism is not depressed the demand for a four-letter word. And for the

tural problems which are setting needs a stimulus. The far tougher problems for policy-worried about the wind makers. High unemployment economy should watch seems to be endemic in most governments rather than of the developed world, and is markets.

THIS WEEK'S meeting between

King Hassan of Morocco and the Israeli Prime Minister, Mr Shimon Peres, is less surprising than it seems at first sight.

attacked by dissident Moroccan

pilots, in August 1972.

As the King stepped off the plane, the rebels started firing again but missed him. When he reached the airport lounge, they

fell to their knees to kiss the

hem of their monarch's robe and

to beg forgiveness.

his enemies.

THE MIDSUMMER blues which expected to get worse, according are spreading from Wall Street to the industrialists surveyed those of the commodity-produc-ing countries of the third world

> demand, and in encouraging innovation and efficiency, are much less good at addressing social and structural problems. There is now a growing interest. most remarkably in President Reagan's America in a more in-terventionist approach to economic management.
> Thus while Mr Volcker calls

with increasing urgency for international co-operation on growth policy, lest the US should be pushed into depres-sion in its efforts to get out of debt, Mr James Baker has put together a refinancing plan for Mexico of which Lord Keynes might have approved enthusiastically. It aims, in short, to use official finance to offset shocks from the market-poor commodity prices or disappointing growth—rather than to re-inforce market trends, as commercial capital flows tend to do.

Governments can also try to set their own structural houses in order, as President Sarney of Brazil showed dramatically this week. He intends to intervene massively to divert income from rich consumers to the poor

Market reaction In the longer run Japan,

which has always given the Government a strong role in steering economic development plans to embark on another of those transformations which have made it the home of economic miracles. In the short run, Mr Nakasone or any likely successor will intervene, probably rather modestly, to push growth up from its recently forecast level of 11-2 per cent; but at the same time there is a slower-moving plan to change the whole emphasis of the economy from targeted exports to home consumption. This new activism among governments, and the loss of

physical commodities and the ships and vehicles which take them to market.

This shift in the balance of demand is also one of the structure.

The demand is also one of the structure of the ships also one of the structure.

The demand is also one of the structure of the ships are structured to the ships and the ships are ships as the ships are ships are ships as the ships are sh

GRADUATE RECRUITMENT

The great education mismatch

HERE HAVE all the But the mismatch itself arises decade previously awarded bachelor's degrees to all, poor self-marketing both by more than 100,000 young people.

But some organisations are findWhat students do after geting it hard to sign up the graduate recruits they want.

The shortages, arising after a period when demand for graduates was depressed, have brought a gleam to the eye of some academic pressure groups. cases, students of medicine a They have redoubled their calls related topics are excluded. for the Government to stop In 1985 the total was 95. restraining the higher educa-tion service and embark on further expansion.

This part of the property of the

It is not only the shortfall Free markets in goods and of degree-winners that causes capital, which perform magnifiproblems for recruiters. While cently in responding to growing some employers are likely to

demand is that some people whom the academic system thinks worthy of a degree are winners. Of the typical 1,000 in not to the liking of employers 1985, 134 had disappeared in the market, and vice versa. against 106 of the 858 half a

graduates gone?", is from a variety of causes. They a question that many include reluctance among employers in Britain are asking degree-winners to sign up for abroad in 1985, including this summer. The universities, a job in haste, allegedly overpolytechnics and other higher rigid selection criteria on the home, was rather lower. The educational institutions have part of recruiters and, above

ting their degrees is shown in the accompanying table. It com-pares university and poly gradufor which statistics are available) with those of 1980. In both cases, students of medicine and In 1985 the total was 95.833

ates last year, there were only 858 in 1980. What happened to a typical 1,000 in 1985 is shown on the left of the table, and the some employers are likely to whereabouts of the correspond-end the year with empty desks ing 858 in 1980 are shown in in their offices, it is even more the middle. The pluses and in their offices, it is even more the middle. The pluses and probable that at the same time minuses on the right show by over 10,000 new graduates in how much the number going to Britain will not have got a job each destination last year had of more than short-term dura-risen or fallen by comparison with 1980.

The main reason for the By the end of the calendar imbalance between supply and year when universities and polys make their counts they have lost track of some degree-

Compared with 1980, the number of graduates going entry to teacher-training fell more sharply.

The numbers of those unemployed, not available to take a job or in work expected to last no more than about three months, increased. The 138 term UK job" category in 1985 consisted of 46 arts graduates. 45 with social studies degrees. 34 pure scientists and 13 applied

As a result, fewer than half the totals in each year were known to have taken "permanent" jobs in the UK. The doing so last year was 46.3 per cent. about five percentage points up on the corresponding share in 1980.

All types of work had increased intakes. The biggest last year had 84 entrants, more than half of them joining chartered accountancy firms. Of the 84, five had taken applied science, a dozen arts, 19 theoretical science and 48 social studies which include accountancy courses as well as economics and management.

The second biguest rise was in research, design and devel-opment whose 81 entrants in 1985 included 55 engineers and technologists and two dozen science graduates. The category with the third biggest increase was management services, such as computer work and technical support jobs, whose 56 entrants included 39 pure scientists and nine from applied science COMPSES.

Both of the last two categories are therefore heavy absorbers of numerate gradu-ates with an understanding of advanced technology.

"The trouble is that a lot of youngsters disqualify themselves for jobs in technology by dropping numerate subjects at school," says Mr Brian Steptoe, director of the London University careers service. "Our education system encourages too many pupils to specialise in either arts or sciences too young."

Another reason for the excess demand for numerate graduates is increased competition from the City, where some firms are offering perks as well as salaries well above the norm as they



High spirits in Oxford

prepare for October's Big Bang. Even so, the several thou-sand degree winners without regular work at the end of the year will almost certainly in-clude many scientists, both pure and applied. The reason is that technical and academic knowledge is no longer enough to

Mr Jeffrey Stretch, responsible for recruitment at K Shoes based in Kendal, says he is typical in demanding evidence when scanning application of teamwork ability and the forms and in interviews. They drive to get things done. "We insist on those personal qualities and we haven't yet secured the people we want for production posts, though I've seen several candidates technically up to scratch. We've also preferred to leave ourselves two short of the 13 we wanted for

the retail side." He shares the belief of other personnel chiefs that with plenty of jobs on offer this year. many graduatés have decided to take a holiday before sign-

to take a ing themselves up:

University— At London University— "I'd say the reason we've Britain's biggest producer of been successful is that we posigraduates—Mr Steptoe says that tively market ourselves not just of the 250 employers initially to students but to staff. And planning to recruit on the we do it all the year round."

campus, 35 withdrew because few students applied to see them. "Interest has picked up a bit since. Nearly 7,000 graduates came to our three-day recruitment fair this month. But even then the interest seemed stronger on the employers' side.

'I suspect some of the shortages are partly the employers' own fault. They are often too rigid in the criteria they apply when scanning application over-react to the odd spelling mistake, for instance."

Hewlett-Packard is one of the companies which have had no trouble in filling their recruitment quotas. But Mr Peter Ward, the UK personnel director, denies that its selection criteria are less stringent than the norm. "We're hot on personal attributes as well as intellectual strength, and we don't want people who're any more afraid of computers than they would be of pencil boxes.

Mr Angus Clark, personnel director of Sainsbury's, which has also signed all the graduates it wants, agrees that marketing all year round is a key factor. "We've no shortages. The only ones that worry us are not in the industry at all They're in the intake to teacher training. Too few good people taking up schoolteaching now can only damage employers prospects of getting good re-

cruits later on." The same concern is share. by many other company chier. including some with quotas still not filled. But although employers may have some role in helping to improve teachetraining, solving the problem depends on Mr Kenneth Baker, the Education Secretary.

To ensure success he will need not only to weld central Government and local authorties together in a co-ordinat-d teacher-recruitment effort, but to change school staff's jib conditions so higher pay on be offered to desperately needed specialists in sciences. technology, crafts and design.

Michael Dixon Education Correspondent

already slipping behind US international banks—which his year are offering graduates about £12,000-and the Amrican investment banks which are paying £14,000-£15.000. The market had moved, and

we felt we had not moved as far," says Mr George Allford, Kleinwort's assistant personnel

This year, the figure was set at £10,000 per annum. But in February, the agreement began job applications from under-

HOW THEY FARED

	1 9 85	1980	1980-to 1985
Arts subjects	263	237	+ 26
Social studies	313	269 `	+ 44
Science	252	199	÷ 53
Applied science	172	153	+_19
Total	1,000	858	-£142
Untraceable	134	106	+ 28
Whereabouts known	866	752	+ <u>1</u> 14
Returned or went everseas	60	69	9
Teacher-training	42	67	25
Other education/training	163	147	+ 16
At best short-term UK job	138	116	+_22
	403	399_	+ 4
Took " permanent " UK job in:			
Administration and planning	73	59	+ 14
Research and development	81	· 62	+ 19
Management services, etc	56	39	+ 17
Marketing and purchasing	42	27	+ 15
Financial work	84	63	+ 21
Welfare and personnel work	42	36	+ 6
Teaching	26	23 -	´ + 3
Miscellaneous	59	44	+ 15
	463	353	+110

Last year UK universities and polytechnics produced 95,833 new graduates in subjects other than medicine—1,000 for every 888 produced five years before. The table shows the whereabouts of typical cross-sections of the 1985 and 1980 degree-winners six months after they graduated. "GRADUATES?", says Mr Tony Lewis, the 58-year-old veteran of three decades on the

time there would have been no room for them in a trading operation like ours.

worst a positive handicap. financial
Mr Lewis, in fact, cannot graduates.

London Stock Exchange floor who last year earned at least £200,000 as chairman of Smith New Court, the stockjobber. "Graduates? Once upon a

up in Golders Green, North stance. Statistics are hard to London, started at 16 the job-come by, but there are signs

an irrelevance to the serious to 1985 they were notified each work of deal-making, and at year of about 500 banking and worst a positive handicap. financial vacancies for

THE CITY PREPARES TO LOOK FURTHER AFIELD

name a single graduate among Smith New Court's 80 or 90 London traders — though, he hastens to add, that does not mean that there are none. His newer rivals in the changing City — and especially

up in Golders Green, North London, started at 16 the jobber's classic apprenticeship as off a sharp rise in graduate office boy, then messenger and book-keeper.

Among the jobbing fraternity — the people at the sharpest end of the capital markets sites.

— a university education was

— a university education was Careers officers at Cambridge, until recently seen at best as for instance, estimate that up

This year, the figure rose by roughly 25 per cent. Most striking of all, this year's recruitment drive included a surge in the demand for graduates as traders—

"Three years ago, there was virtually no formal graduate recruitment into trading," says Mr Nicholas Coope, a Cambridge University careers adviser. In 1985, notified trading vacancies reached 15—and that figure doubled this year. October's Big Bang is not the direct catalyst for this expansion. Rather, different trends have converged to inten-

competition for

sify the

graduates.

First, the merchant banks petition for the brightest re-

have edged up recruitment in line with a long-term increase in staff overseas, in booming corporate finance work or their growing securities arms.

waling young graduate trainers as an answer to the shortage of expert staff that has driven up City salaries as their London

operations expand.

And, third, take-overs of Stock Exchange firms by British and American banks have brought brokers' and jobbers' recruitment firmly into the milk round—with Kleinwort Benson, for instance, recruiting 25 graduates this year, Perhaps inevitably, price com-

cruits has sharpened-and skewered the informal graduates' salary cartel operated by the member merchant banks of the Accepting Houses Committee. changing City — and especially whether of UK equities, or of Second, the expanding Lon-Until this year, a sub-committee the US and Japanese securities Eurobonds and other more don branches of US and of personnel managers used to houses — take a different arcane financial instruments.

Japanese securities houses see agree a bench-mark

February, the agreement began job applications from under-to fall apart as Kleinwort graduates this year, Mr Allord Benson—whose personnel direction found many were unenthusiastic. tor had chaired the subcommittee—broke free. An S. G.
Warburg interviewer at Durham
the best talent—beyond Ox-University discovered that bridge, which has dominated Kleinwort was offering an extra \$2,000 summer travel bursary well-briefed students make the bonus to undergraduates who signed up early.
UK merchant banks were

most applications. Nick Bunker

Man in the News

The protection traditionally King Hassan afforded to the Jewish subjects

of Moroccan sultans runs deeply in Moroccan history and Hassan of Morocco has on more than one occasion reminded his Arab peers that no law forbids a man to talk to

Unlike President Anwar Sadat's visit to Jerusalem 10 years ago, which was born of desperation, King Hassan's move is a calculated gamble. The king enjoys uniquely good valetions with most of the actors. Sun king relations with most of the actors in the Middle East and holds the further advantage of maxiwith a mum distance from centre of stage in the Arab Israeli conflict. King Hassan has been on the throne of one of the world's oldest monarchies for a quarter of a century and has one of the diplomat's coolest political heads in the Middle East. "Tell them the Sultan is dead," he ordered his pilot to shout over the radio to rebel officers at Rabat control tower after the aircraft in which he was travelling back to his capital from France was touch

By Francis Ghilès



tem of their monarch's robe and obeg forgiveness.

Coming 12 months after his narrow escape from another arrow escape from another many of the guests assembled to celebrate his birthday at the seaside palace of Skhirat, between Rabat and Casablanca, the events of 1972 made the monarch's "baraka" (good luck) legendary.

Hassan is, after all, scion of Hassan is, after all, scion of the Giralda in Seville.

Khalifat Allah Fi'l ard (Allah's all his life and, years ago, was coached by a US pro, Claude his boldest move.

The occupation of the Western Sahara, launched by the famous "Green March," the famous "Green March," the famous "Green March," the monarch also speaks one of the giories of the borders of southern low to speak a clear and vigorous Arabic to his fellow Moroccan without the western Justice and the United Nations. narrow escape from another attempted coup, which killed many of the guests assembled to celebrate his birthday at the seaside palace of Skhirat, between Rabat and Casablanca. the events of 1972 made the monarch's "baraka" (good luck) legendary. Hassan is, after all, scion of

the more than 300 year old Alaoui dynasty which hails from the Tafilalt which lies on the edge of the Sahara and a sking resort of Swiss style region from which most of the great dynasties which have great dynasties which have the Middle Atlas and the United Nations. Ten years later, with the territory under firm Moroccan milible address.

Moroccan: without the western gloss which has infected the mother tongue of some Arab leaders.

The years later, with the territory under firm Moroccan milible address.

He has always enjoyed sailing give a fig that nearly 60 countries which have recognized the United Nations.

The years later, with the territory under firm Moroccan milible address.

He has always enjoyed sailing give a fig that nearly 60 countries which have recognized the United Nations. the Tailait which lies on it his paragraph at the edge of the Sahara and a skiing resort of Swiss style leaders.

Skiing resort of Swiss style leaders.

He has always enjoyed sailing give a fig that nearly 60 countries in the world have recogned a born gambler, his decision to occupy the Spanish colony of the Western Sahara in November 1975 as General France later which has been fighting the world.

What is stiff it that the Colonk what is stiff it that the Colonk what is stiff it that the Colonk tary control, the King could not mander of the Faithful can look give a fig that nearly 60 countries in the world have recogned at the Saharan Arab Demonstration occupy the Spanish colony of the Western Sahara in November 1975 as General France later which has been fighting the world.

Moroccane without the western Justice and the United Nations.

Moroccan army
In England, King Hassan is remembered as the only man who ever kept Queen Elizabeth waiting—during her state visit in the autumn of 1980. Appointments with the Kinz

start after the monarch has woken up, usually towards the middle of the day, irrespective of the time they may have been pencilled in for. Some senior foreign bankers and politicians have left Morocco without ever holding their meetings. Such behaviour strikes many wes-tern visitors as rude but then l'exactitude est la politesse at the court of the Sun King in Versailles, not one which ever prevailed at the court in

Fez or Marrakesh.

King Hassan has other reasons for receiving Mr Peres. His highly opportunistic alliance with Colonel Gadaffi in August 1984 remains an acute embarrassment to a monarch whose relations with Washington have traditionally been

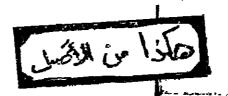
close.

Aid and weapons from the US are rital, particularly at a time when the armaments used to contain Polisario attacks in the Western Sahara need renewing Support from the US is also needed in renegotiating the Kingdom's foreign debt of \$14bn which amounts to 112 per cent of GDP.

Nor can Mr Peres' visit do any harm to the king's rela-tions with EEC countries. As so often with King Hassan, perfect timing is of the essence while broader interest and more pressing needs are intertwined inextricably. In the wake of the breakdown in negotiations between Jordan and the PLO and in view of the total stalemate of the co-called Middle East "peace process," violating the taboo of open contact between Israeli and Arab leaders may yield some future

dividends.
What is sure is that the Com-





Six months on, with the pub lication last week of the all-party Defence Select Commitspectre of Westland has come back to haunt Mrs Thatcher and her Government.

To the lay observer this must seem incredible. How was it that a near-bankrupt helicopter company in the West Country generated such ferocious in-fighting in Whitehall? The Defence Committee's re-

port can only hint at the answers since it confines its role to a description of events, most of which is familiar ground. It largely ignores the interplay of personalities, which provides the continuing fascination of the Westland affair. One begins with Mr Michael

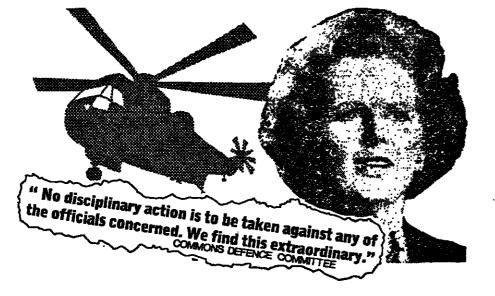
Heseltine, a politician guided as much by instinct and passion as sound judgment. He is, as he confessed in an interview this week, a man who likes to

Last year, the former Defence Secretary had notched up a string of notable political suc-cesses: a £4bn contract to supply fighter aircraft to Saudi Arabia; British industry participation in contracts for the so-called US Star Wars programme; and, after three years of tortuous negotiations, a pan-European agreement (though excluding the French) to build a £20bn new fighter aircraft.

By mid-November, Mr Heseltine was in search of a fresh challenge. He found it in the unlikely form of the Westland helicopter company which at that time was searching for new partners to help in a capital reconstruction in order to stave

It was Mr Heseltine's inter-vention on behalf of a European consortium rescue—against a rival offer from Sikorsky, the US helicopter maker, and Fiat of Italy which was favoured by Westland—which provided the catalyst for the extraordinary events which followed.

Yet Mr Heseltine's colleagues appear, even in the select committee report, to have been singularly unaware at the time of the dangers of giving him three ministerial meetings (one happen. such free rein. The Defence of which was in Cabinet com-Secretary was allowed to pump mittee) she curtailed further officials of the Solicitor- which has not been resolved land affair.



Westland story into a ballooning controversy about the merits of European defence collaboration and British indus-

The one person who recognised this was Sir John Cuckney, the former Mis agent turned "company doctor." Sir John had been invited by the Bank of England in mid-summer to put together a rescue for Westland

Sir John had no intention of allowing Mr Heseltine to foist upon him a rescue which he believed was not in the interests of the shareholders, the 10,000strong workforce, or the banks adviser to Mrs Thatcher—Mr lan which required a legally bind- John Wakeham, the Chief Whip of ing and coherent rescue in place by mid-December.

pean rescue was ever taken attempt to impose a collective seriously. Initially the Euro-ministerial gag following West-pean consortium had two mem-land's approval of the Sikorsky-Blohm of West Germany and to give the Defence Secretary Aerospatiale of France. The enough rope to hang himself. financially ailing Italian heli—The problem was that Mr copter manufacturer, Agusta. Heseltine fast turned into a had flirted with the notion of charging rhinoceros, reducing joining Sikorsky and had then limped along to join the French to a pile of rubble. In the highly and Germans. After much charged atmosphere, with no cajoling by Mr Heseltine and prime ministerial authority his senior MoD officials, GEC and British Aerospace joined the consortium on December 9.

aware of these flaws when, after

discussion. Mr Heseltine thought General's letter implicitly ques-he had gained approval for a tioning Mr Heseltine's argu-further Cabinet meeting on ments against the Sikorsky/Fiat December 13. When it was and deal, must be seen in this concelled, allegedly breaking the rules of Cabinet Government, it an aberration. It was entirely in was in Mr Heseltine's curt sum-mary: "War." tune with previous leaks and counter-briefings

So why did Mrs Thatcher not deal with her turbulent priest? Why did she allow one of her closest supporters, Mr Leon Brittan the Trade and Industry Secretary once described as having "too many brains and too little sense," to mix with a bruiser like Mr Heseltine?

-counselled caution in the interests of party unity. The plan In retrospect, it is a tribute to Mr Heseltine's presentational Mr Heseltine to campaign in skills that his alternative Europublic (despite a half-hearted bers, Messerschmitt-Boelkow- Flat deal) and, more deviously. collective Cabinet responsibility

prime ministerial authority being exercised and senior civil servants acting, in one informed the consortium on December 9. observer's words, as "ministerial Perhaps Mrs Thatcher was errand boys," the Westland affair was an accident waiting to

Such were the passions on

both sides that no one could

afford to lose face. This became

doubly clear when the battle shifted to the City of London The entry of Hanson Trust, the UK takeover specialist, was at least partly political in its motivation (though Hanson had At least one influential taken several looks at West-adviser to Mrs Thatcher—Mr land in early 1985). The role the two Conservative peers who offered to procure a knighthood for the rumbustious former helicopter operator and European supporter Mr Alan Bristow, is a different example of misplaced loyalty to the Prime Minister.

In fact, it merely made Mr Bristow more determined to hold out. By upping his share stake, he was able to force a second shareholders' meeting resolved only by the appearance of six mystery share-holders (one resident in Uruguay, one in Los Angeles and one in Majorca) who finally swung their votes in favour of Sirkorsky/Fiat.

satisfactorily, desipte a lengthy Stock Exchange inquiry.

There are other unanswered questions, hardly surprising since the key civil servants in-volved in the leak were not allowed to give evidence to the But in the months ahead, the committee. But in the light of ordinary British investor should committee. But in the light of the furore generated earlier this year, it remains a peculiarly British characteristic that a Stock Exchange inquiry, a Director of Public Prosecutions inquiry (into the alieged knight-hood bribe), and a Cabinet Secretary's inquiry (into the circumstances of the leak) has yielded nothing of substance, not even a prosecution.

So what are the lessons of the affair, both for Westland and the Thatcher Government?
For Westland, life proceeds smoothly enough, contrary to the threats of the consortium. The MoD, having stated through Mr Heseltine that it had no need for the Black Hawk medium-weight helicopter (the crucial Sikorsky machine to be built under icence by Westland), now has an open mind.
As Sir John likes to point

out. Westland is now properly capitalised following a rescue deal which has not cost the taxpayer a penny (though this ignores the Government writeoff of £40m launch aid costs for the W30). Furthermore, one member of the consortium, GEC, now has just over 7 per cent of the shares,

For Mrs Thatcher and her ministers, things can never be quite the same again. Few will forget what happens when the machinery of government breaks down as it did, almost disastrously, over Christmas. Both Sir John and Mr Hesel-tine would argue, albeit from differing standpoints, that the Prime Minister must bear some responsibility.

So too, perhaps, must some of the senior civil servants, in-cluding Sir Robert Armstrong, the Cabinet Secretary and head of the Home Civil Service. One of the enduring mysteries is why there was no civil servants' cabal to counter the antics of the various government ministers. This may have something to do with the dual role of Sir Whether these mystery Robert, who is also a servant buyers formed a secret (and of the Prime Minister. What-therefore illegal) concert party ever the case, the damage done affair was an accident waiting to or whether they were members to the government machine and of a "fan club" is one of the prime ministerial authority will aspects of the Westland affair remain the legacy of the West-

Tinker tailor banker ... broker

By David Lascelles

NOW, THE FIRST THING

WE MUST ASK OURSELVES

SHARES

do a lot of business this way

(NarWest processed 200,000 deals last year) it is not a genuine investment service. The

banks merely pass the business on to a local stockbroker and

collect a fee on the way, making

it both inefficient and expensive. The point about the latest

changes is that banks will draw

on their own investment re-

trades themselves either with

their in-house market-makers or

with whoever is offering the

"In the long run, what it

should mean is that you will be

able to get the kind of service

you got from your stockbroker

tive of NatWest Investment

Bank (NWIB), the NatWest subsidiary which is one of the

groups created from Big Bang.

through the bank's branches or

directly at home via the TV

The first tentative step in this direction was taken three weeks

The shop is equipped with

Topic screens giving share prices, an Extel financial news-

wire and research materials. It

the Midland Bank, which has a

direct line into the Stock

instant execution.

screen or the telephone."

That will be done either

IS ARE WE A BULL OR

A BEAR?

THE ECHO from the Big Bang is finally reaching Britain's high

So far, the reform of the City of London has seemed distant, if not downright incomprehensible, to the man in the street. begin to get a glimpse of what it is all about, particularly if he or she is a customer of one of the big clearing banks.

Barclays Bank gave a foretaste of what is to come this week by unveiling Barciayshare, a new retail stockbroking company which will spearhead Bar-clays' new drive into the per-sonal investment market. The other clearers, NatWest, Midland and Lloyds are all preparing something along similar lines which will make some of their branches part-

bank, part-stockbroker.

Whether people come to accept banks as the natural place to buy and sell shares But the banks say that they are in the financial service business, and stockbroking is part of that. Over the past two years, all the clearers have been building

up big stockbroking and deal-ing operations in London to take advantage of the opening up of the Stock Exchange to new members and the abolition of fixed commissions. Barclays, Natwest and Midland have bought stockbroking and jobbing firms; Lloyds has built up its own.

But these operations have been directed mainly at the institutional market: large insurance companies and investment concerns which trade securities on a massive scale. Bankers have been much more cautious about aiming them at largest new investment banking the retail market, partly because of the huge cost involved in setting up broking services in their branches, partly because despite all the talk of Britain becoming a share-owning democracy—they could not be that private investors would use them.

But services of this kind are quite commonplace in other countries. In Switzerland, for example, where banks are the biggest stockbrokers, many branches display the latest stockbrokers. share prices on screens in their windows and offer direct execution services inside.

Britain, investors have been able to go to their banks for years to place, buy and sell orders. But though the banks it, claims it is doing brisk business despite the recent downturn in the stock market. But at this stage it may only be taking in business that would have gone to Midland anyway. Barclays' scheme is more ambitious. Barclayshare will

provide a broad investment service through, initially, about 150 Barclays branches with screens supplying the latest stock market news and prices. and research reports and an investment newsletter. The service will be based on BZW, the new investment bank

within the Barclays group which is a member of the Stock Exchange. Customers will either have one of the new Personal Equity Plan (PEP) accounts which will be run on a discretionary basis by Barclayshare, or a regular investment account which they can run themselves.

A key feature of Barclaysharc shares through nominees, to cut out paperwork and enable Barclays to operate an automated book entry transfer system: instead of share certificates around, trades will be recorded as computer blips.

search services to provide advice, and will execute the Shortly, NatWest will be launching a pilot scheme in half-a-dozen branches to test demand for a similar service based on NWIB. And when the British Gas flotation comes in November, it intends to offer customers a facility to buy and sell those shares through about 250 branches. in London very much more on your own doorstep," says Mr Charles Villiers, the chief execu-

With their huge customer bases, banks would seem to have a head start, particularly if they devise ways of linking custo-mers' banking and investment accounts along lines which have been very successful in the US. While the PEP scheme may offer only limited investment attractions, it gives the banks a ready-made product for their new services.

Whether it will be any cheaper to deal through a bank ago when the Midland Bank opened a "share shop" in one of its Birmingham branches. rather than a stockbroker remains to be seen. The banks are not making any extravagant promises. Mr Robin Hoyer Millar, chairman of Barclay-share, will only say: "We aim is operated by Smith Keen Cutler, a small Birmingham stockbroking firm belonging to to be as competitive as we can be." The comment from Mr Villiers at NWIB is: "If the volume of business is there, then it should be cheaper. Exchange and aims to provide Clearly it depends on getting the throughput to justify the Mr David Loudon, who runs investment in technology.

Taxation policy

Sir,-The last few days has seen the general thrust of Labour personal policy, should it win the next election with an outright majority. Without doubt, its proposals are designed to make a direct appeal to voters who cither respond to a "soak the rich" policy or who genuinely believe that the average tax payer is no better off than he was in 1979, and that all the benefits of the Conservative 19.0rms of taxation have gone to the very rich.

The Chancellor will need to take what may be his last opportunity in his 1987 Budget to promote radical taxation reform along the lines which are now being considered in the United States. It should be to remove most ordinary taxpayers from the income tax and social security net while at the same time reducing the top level of taxation to around 30 per cent. This could be accomplished by including all sources of income, scope of income tax and by abolishing all tax shelters. including that in respect of mortgage interest.

At the same time, the individual charge to social security, which bears so heavily on the ferred in its entirety to the

While in the short-term such radical changes might represent an immediate loss of some f6bn-f7bn to the Revenue, thereby increasing the PSBR. the overall effect would be to reduce the disincentive to take tively low wages as well as to increase the spending power of the vast majority of the population, thus improving the tax receipts from VAT on coner sales. It is probable that this radical approach may well have the additional beneficial ment and thereby reducing the crippling cost to the state of unemployment benefit.

While the Chancellor has indicated his intention of reducing the standard rate by a few percentage points, this move will be equally costly in terms of loss of revenue and will have a minimal impact on

should Chancellor seriously consider whether, by following the lead of the able at affordable prices, have capacity. These papers received united States in personal taxa to broadened the range and tion politic he will not only quality of produce available in benefit the United Kingdom our area simply because they opinion both inside and cutside economy as a whole but also do not yet stock Greek yoghurt. Parliament. I must, therefore, of the minefields laid by the 8000 Munich 81.

Letters to the Editor

vative Government at the next Stewart S. Cohen. 24 Carlton House Terrace.

Food for thought

From Mr J. Hattersley

Sir.-Although many of the articles you publish clearly appeal to minority views few if any, have been as pretentious at last Saturday's piece on supermarkets by David Sexton. Your correspondent clearly reflected those clique-ish modish aspirations of the affluent south east which he had the temerity to mock gently in his introduction

Having conceded that supermarkets cause "they are now where we go for . . . our basic needs " he then concentrates his comparisons upon the avaliability of fruits. It is clearly news to him that the "inescapable Cambazola" is not available on every street corner throughout the land and that even if the Waitrose selection is less re-markable than that displayed by small cheese shops not every town as a small cheese shop with which to compare it. He seems to find it impossible to comprehend that ordinary ruman beings might actually like to drink British wines and his casual dismissal of the needs of the "tied, low income clientele" of the Co-op sits uncomfortably with his assertion that ordinary people in search of a quick meal reach for the fresh pasta, pureed tomatoes and parmesan. Surely, most of us simply open the freezer or reach for a con. Indeed, it would appear that not even fresh pasta is acceptable;

it needs to avoid being polluted with reconstituted eggwhites! We realise that we are not conditioned by having a Harrods food hall or Paxton and Whitfield on our doorstep trade gap as North Sea oil earndismay in finding that Sainsbury's have had the audacity making fine cheeses, rare fruits | marised the statistical evidence and fresh game readily avail- of trends in UK manufacturing

did not know the Marks and assertion Spencer bacon, tomato and lettuce sandwich was the best that money can buy but then, daily proadsheet newspapers unlike Mr Sexton, we have not had the opportunity to taste every single sandwich produced editorial space to the subject.

We must confess that we were confused at first by the fact that the two pages of the article were printed in reverse order in our edition. Having read the article we can understand why; Mr Sexton's values are clearly back to front. John Hattersley, Sharon Bagas. article (July 21) very interest-mike Boxall, Jane Coldweil. article that one important Barnsley, S Yorks.

Defenders of manufacturing

From the Director, External Relations, Association of British

Chambers of Commerce
Sir,—Mr Price's assertion
(July 19) that "Chambers of commerce have as many importers in their midst as manufacturers so they no longer speak out to protect British manufacturing " could hardly could hardly be further from the truth.

Last year, the great concern of the Chamber of Commerce movement about the decline of UK manufacturing industry was expressed in evidence (both written and oral) presented by whole thrust of the new pro-this association to the House of posals is that the profit partici-Lords' select committee on overseas trade. In that evidence. we emphasised chambers' total 'changes its rules it may not be rejection of the notion that Britain should concentrate on developing its service sector and allow manufacturing to die.

We argued that services must be treated as complementary to recovery in manufacturing, not as a substitute for it: there :s no reason why there should not be strong growth in both sectors undeed, since one fifth of all service industry has manufacturing as its customer, the full potential of the former can only be realised if the latter expands and prospers. forecast that exports of services would not be able to fill the

and we fully appreciate his ings decline is proving sound. The weight of our evidence was reflected in the Select Comto go "as far north as Lan- mittee's eventual report. That caster" but we find it hard to evidence was followed by a facknock supermarkets which by tual ABCC report which sumwould be no worse off. If it succeeded, the UK would gain

that the media

manufacturing in-

dustry: the four main national

lar - devote a great deal of

Sir.-I found Eric Short's

for calculating pensions,

the introduction of contracting

out in 1978 led many companies

o switch to a total earnings

basis. In cases where this has

not happened the question should have been discussed

with the pensions advisers and

it is likely that the decision made was to keep the stability

of basic pay.
Where fluctuating earnings

represent a major component

(Miss: Lynn Howarth.

Profit sharing

and pensions

From Mr G. Bannerman

212a Shaftesbury Avc. WC2

"ignore"

the formal objectives. We might even be able to striped) elephant Trident would

payments. (Dr) H. A. Shearring. 5th Floor,

Expatriates and votes

lished a letter from a Mr Kirkby who bases a prejudiced and quite illogical case for denying expatriate citizens the vote or quite unsubstantiated assertion that "most" of us left Britain " with a view to keeping out of the UK Inland Revenue tax net." This statement is either true (in which case Mr Kirkby should be required to evidence for his assertion) or false (in which case he should pologise publicly for an un-

of remuneration it is right that they be taken into account and deserved insult to his fellow the Iniend Revenue rules per mit this. Indeed they permit all benefits in kind) to be counted for pension purposes but the pation would be tax-free. Unless the Inland Revenue profit sharing as pensionable. possible to treat the tax-free employees are being asked to give up basic salary in return for a share in profits they may find that their pension expectations are reduced. I regard this as more of a danger to pensions than those men-tioned by Mr Short and a Government statement on this point is essential. G. G. Bannerman. Bridle Path,

Trident and Star Wars

"c:ford, Herts.

From Dr H. Sheerring Sir.—The US defence estabishment for part of it) wants and expects to sell Trident to

The UK (or part of it) wants but cannot realistically expect tical parties very much, in spite to get significant SDI contracts. Of the lip service they all pay your editorial "UK role in Star Wars" (July 15) indi- Alan B. Denham.

If the UK were to make its purchase of Trident conditional on receiving significant SDI contracts, a swept path could well appear through the mine-If the pressure failed, we

SDI funds and not being left behind in a research area where the spinoffs are likely

pay for the conventional forces we are likely to need since the have been partly met by SDI

Victory House, Prospect Hill, Douglas, Isle of Man

point has been overlooked. While I agree with him that many schemes still use basic From Mτ A. Denham Sir.-On July 18 you pub-

> In fact, I believe that the resently envisaged modest extension of the franchise still excludes, quite arbitrarily, those of us who left Britain more than about five years ago. British citizens here in Germany see both French and American citizens not only permitted but encouraged to vote in domestic elections in their home countries while resident here; and Italian citizens here are actually under a legal duty to vote in elections in their home country. Moreover, British citizens here who fail to quality to vote in Britain in fact have not the right to vote in either Britain or Germany and, despite the fact that both are EEC states, are thereby excluded even from participating in elections to the European Parliament. Nevertheless, we have no automatic exclusion from the duty to pay tax on our income in either or both of the two states. This consideration will not. I fear. carry much weight with Mr Kirkby and those who think

Regrettably, it also not to trouble the British polito the democratic principle.

cated, this is partly because Johanneskirchnerstrasse 162,

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Bristoj and West	5.25	6.25	7.00 Plus account £1.000+. No notice. No nemalty
			8.05 £10,000+, 7.80 £5,000+, 7.55 £1,000+ 7-d. not. Triple Borus. Monthly income rates 7.80, 7.55 and 7.30
	_		8.95 Special 3-month account, £5,000, 3 months' notice
Britansia	5.25 16.50	6.25 6.75	8.1577.9077.40 Trident Gold Instant access, minimum £250
Catholic	5.50	6.55	8.15 90 d. not. No pen. If bai. £10K+. † Up to £1K, then tiered rts. 8.85 (9.04 CAR) £10K+, 8.35 (8.52 CAR) £2,500+ ao not./no pen.
Century (Edinburgh)	6.25		7.75 Guaranteed rate 2/3 years—No variables
Cholsen	525	6.25	8.30 Immediate withdrawal interest panalty or 3 months' notice
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Cheshont	5.25	6.75	8.00 £5,000-£250,000, 7.50 £1,000-£4,999
City of London (The)	5.50	8.05	8.05 Instant access—no penalty—minimum £2,500
Coventry	5.25	6.50	8.10 3-yr. band £1,000+, Close 90 days' notice and penalty monthly income option, guaranteed 2.85 differential
			8.10 Moneymaker £10,000+, 7.85 £5,000+, 7.55 £1,000+ instant
Derlosshire	5.25		esces no penalty, modulity int. option
Frome Selwood	. 525	8.25	8.00 3 months' notice. Up to 7.75 no notice/penalty monthly interest 8.75 Gold Minor account for 0-18-year-olds
Getavay	5.25	6.25	8.25 Star 60 £500 minimum, 60-day, Gold Star no notice/no penalty
Greenwich	5.25	_	210,000 + 0.00, 23,000 + 7.75, 2,1,000 + 7.50
Gearden	5.90	_	8.00 60-day account (no notice account 7.13-7.61 int. 1 ₂ yly.) 8.25 (CAR) Quarterly at 8.01 on £3,000+ no notice/penalty
Halliage	5.25	6.25	7.12 Cardcash (£2.000+), 5.25 (£1.£1.999)
			7.75/7.50/7.25/7.00 Instant Xtra (minimum £500) 8.00 90-day Xtra, 90 days' notice/no penalty (minimum £500)
Heart of England	525	6.50	8.05 and 7.80 High interest. 6.75 Gold Key
Hensel Hempstead	5.25	6.75	8.25 90 days, 7.25 60 days, 7.75 monthly income
Lambeth	625 535	6.50	8.00 Minimum £1,000 3-month, 6-month 8.25 (minimum £1,000) 8.25 Under £10K, 8.50 over £10K mag. a/c 6 weeks + loss of int.
Leankston Sps	535		7.75 Kink Fives (FID 700 mile) 7.50 Emp (1000 mag
			7.50 High Fiver (\$5,000 min.), 7.00 Spa Income (£5,000 min.)
			7.50 High Fiver (£5,000 min.), 7.00 Spz income (£20,000 min.) 7.25 High Fiver (£5,000 min.), 7.00 Spa income (£5,000 min.) 8.40 Super share (£20,000 min.), 8.10 (£5,000 min.), 7.50 (£2,000 min.)
Leeds and Holbeck	5.25	7.00	
•		,	8.00 Monthly Int. term share withdrawal option, 7.85—60 days' not or penalty plus monthly int. Up to 8.10 imm. access—no penalty
Leeds Pernstrent	5.25	6.25	PAN MAS 3 Morths not. Liquid Gold 7.25 £500 7 so as non.
London Perstament	6.00	_	7.75 £10,000+. No penalty/no notice — £300 7.50, £2,500 7.73, £5,000 8.00, £10,000 8.25
Mornington	7.35	_	7.35 -12K, 7.50 EZK+, 7.85 £10K+, 90-day 8.30, 28-day 7.95
National Counties	#5.55 5.25	6.55 6.25	0.30 TO DRYS NOTICE, no penalty £5,000+. ±£1,000
TORIGINAL ALIAN TORINAL AND	325		8.25 90 days' notice/penalty unless \$10,000+ 8.00 Money management \$10,000+. No notice no penalty.
Nationalde	5.25		8.00 Money management 510,000+. No notice, no peculty 7.75 APEX 3rd issue (+2.50 guarantd. 3 years) 60 days not/penalty
	3.23	_	7.00 Flexaccount cashlink £500+, 5.50 £1-499 7.75 Bonus Builder £10,000+, 7.50 £5,000+, 7.25 £2,000+, 7.00
			£500+, no notice, no penalty
Newcastle	5.25	6.50	7.75 Capital Bonds min. £500 90 days' notice/penalty 7.75 (plus bones) two-year term, 7.50 7 days' notice. On demand by
Northern Rock	= ~=	4.50	
THE STATE OF THE PARTY OF THE P	5.25	6.50	8.05 Moneysplaner plus £20,000 or over, lastant access 7.80 Moneysplaner plus £10,000 or over, lastant access
Norwich	5.25	6.55	7.30 Moneysplaner plus £500 or over, instant access 8.007.757.307.25 High Rise—instant access/sp penalty
Nottlegham	5.25	6.25	9-30 2-30K 90 0895, 8.DO 670K no one 7 75 C34 7 4 4
Pecker	5.25	6.55	
Peterboroepi	5.25 5.25	6.55 7.50	
		7-54	8.25 Prem. plus \$20,000+, min, £1 7.50, £5,000+ 8.10 3 mthe', notice or 1 mantir's pen. No notice/pen. on £10,000+ balance
Portsmoeth	5.40	6.90	
Рторету Оновтя	5.50	7,25	9.07 \$10.000±. 7.75 £5 000±. 7 an cana
Regency	5.25 5.25	6.50	
Skipton	5.25	6.50	8.10 Somereion £10.000+ 7.95 55 000 50 500 For Mithly. int.
			inst. acc.—no pen_mthly in_ 55,000-19,999, 7.50 £500-£4,999
Stroud	5.25	6.50	
Select Could	5.25 7.00	6.75	9-22 YV-98Y, 7-30 M1, 7-35 Instant second
Tope and County	5.25	=	8.00 3-year term. Other accounts available 8.25 3-year term £10,000+
			200 Montorice change to
W	74-		
Woolwich	7.85 5.25	_	7.25 Prime 5500± 7.50 55.000 ± 0.00 cm
		. –	7.25 Prime £500+, 7.50 £5,000+, 7.80 £10,000+, no not/penalty 8.00 Capital, 90 days' notice/penalty. Middleum £500
TOTISSITE	5.25	6.25	7.55 No. (m. 77.5 page
All shore yes seed when			8.10 Pink key, £10,000+ wdi, no penaky -£10,000 28 dys' not./pen. 8.10 Pink key, £10,000+ wdi, no pn., 7.90 -£10,000 60 dys' not./pen.

حكذا من الانسا

Expansion

business

by NMC

By Clare Pearson

of ESm.

of packaging

Of the proceeds of the issue 22m will be placed in escrow

by the vendors for release if

Interpoly achieves pre-tax profits of £1m in 1986.

The new shares reduce the Saatchl brothers' combined stake from 30 per cent to

ahout 25 per cent. and Mr Gordon's to about 14 per

notes and coins as an under-exploited area. Interpoly's

unaudited accounts for the

first half of 1986 show pre-tax profits of £517,000, on turnover of £2.1m. compared

with £451,000, on turnover of

£3.8m. for the whole of last year. Mr Peter Brandon, In-

terpoly's chief executive. will

NMC's shares closed at 128n, up 11p on the day. Yesterday NMC also announced preliminary results

for the yea rto March 31 1986.

the last under its old manage-

ment. Turnover slipped from £3.72m in 1985 to £3.53m

while pre-tax profits were £167.227 (£182.924). An in-

terim dividend of 1p was paid

on April 7 in lieu of a final.

broker, was installed after NHC's share capital was almost doubled by an issue of

Mr Gordan, an ex-insurance

become a director of NMC.

NMC sees wrapping of

C and W sees

record year

Cable and Wireless old shareholders at yesterds a annual meeting that the Akr cury Communications subsidiary was moving ahead at a mis satisfactory rate. Custom'r were being added to the Mir cury network daily, said 5 Eric Sharp, chairman extraordinary losses in the accounts.
At the interim stage, the chairman stated that "overall trading continued to be satis-

Use of the network by exis ing customers was increasir at a rate greater than expecte and by the autumn there wou be a locally switched service

The network is being stended to Scotland and Will

before the end of this year a to the south coast; resident users will be able to buy the Mercury telephones by Chri mas.

Sir Eric was confident ti the current year would ag-produce record results. C and shares closed last night at 64 ир 8р.

PHIT buys site

Property Holding and Inv
ment Trust (PHIT), currer
the subject of an unwelce
takeover bid from Greyr
Group, the property devel
ment company, yesterday
nounced the £8.5m purchase
a freehold development site a freehold development site Myton Farm, near Leaming Warwickshire.
PHIT has been granted p
ning permission for a re
park of 140,000 sq ft, whic

expected to include a supers and a sports hell. It will finance the deal wi existing bank facilities.

Radiant Metal

A return-to-trading profit achieved by Radlant M Finishing in the year er February 28 1986, and the tax profit showed an impresent from £241,000 to £281. From earnings per 121p sl of 14.59p (14.68p) the divic is held at 2.5p net, with unchanged final of 1.5p.
Turnover in the year dou
to film, and produced a p of £129,000, against the los £30,000. Other incomes tota 542,500 (£62,000) and the

Lloyds profits point to solid gains for big four

LLOYDS Bank, the smallest of worldwide. Operating income with Lloyds Bank International the big four clearing banks, from non-banking activities also brought cost savings, yesterday reported a 27 per increased by 15 per cent to Overall the banks' costs cent rise in pre-tax profits to £359m, which was faster than a more slowly. Provisions for bad \$335m for the first half of this 6 per cent rise to £803m in and doubtful debts were down year. This was closely in line net interest income on its tradi- on overseas operations, from year. This was closely in line net interest income on its tradiwith the £333m forecast during tional banking business. Lloyds recent abortive takeover bid for Standard Chartered

Sir Jeremy Morse, Lloyds chairman, said: "Although I am disappointed that our bid balances out of current for Standard Chartered did not accounts, which increased by 7 succeed, I am confident that our current strategies will maintain our impetus." Lloyds said the bid had entailed external costs

clearing banks' interim season and point to solid gains at the other three when they report tax. over the next fortnight. Lloyds' greatly im Lloyds' greatly improved profits reflected the broad-based strengthening of the banking to stronger results from many market in both the UK and regions. The merger of Lloyds £46.3bn on June 30. Share-

Rexmore, helped by an 18 per

turnover for this

cent increase in turnover from retained companies and the

Liverpool-based fabrics supplier

rose from £29.96m to £31.02m

to give taxable profits of £604,000 (£513,000). Stated net

earnings per share were 3.09p

(0.36p) and the directors are proposing a final payment of 0.6p (0.325p) to give an un-

During the year the company

sold its loss-making subsidiary, R. Cawley (Manchester) and its

stakes in Dermide and Beris-

Turnover for the first quarter

of the present year was ahead of last year and an improve-

ment in earnings per share was

EQUITY GROUPS

& SUB-SECTIONS

Electricals (12) _

Rexmore

rises 18%

to £0.6m

year to March 29 1986.

changed total of 1p.

Tota!

Domestically, the bank bene-fited from strong loan demand,

particularly from consumers and homebuyers. Falling infla-tion also staunched the flow of ing businesses, such as its profitability by reshaping some Black. Horse estate agency, of our activities and credit card and insurance. Black Horse estate agency, of our activities and by credit card and insurance broking also did well, producing a markets." He said that over the The results are the first of the 34 per cent rise in operating income. Overall domestic profits rose 32 per cent to £136m after

> Foreign earnings more than doubled from previously low levels to £78m after tax thanks

Overall the banks' costs rose £77m to £53m. But in the UK they rose because of the con-tinuing high rate of corporate failures, from £49m to £58m. Mr Brian Pitman, the chief

holders' funds on that date were £2.5bn, up 18 per cent on a vear earlier.

As previously forecast, Lloyds is expecting to increase its dividend by 25 per cent this year. It has already declared an interim dividend of 6.25p (compared to 5p).

May & Hassell £1.8m in red

executive, said: "During the

period we concentrated on ex-

last two years. Lloyds had re-deployed about 20 per cent of

its equity from low yielding to

high yielding businesses. Lloyds achieved its profits

growth with a 5 per cent increase in its balance sheet, from

May & Hassell, the Bristol- passed (1.6p). extraordinary debits, which left ased timber importer, yester- May & Hassell said that an attributable loss of £3.8m based timber importer, yesterday reported a loss before tax trading over the 1985-86 year of £1.8m for the year to end- was affected by several factors. £81.000 profit the year before. elimination of loss-making activities, saw pre-tax profits increase by 18 per cent in the The company said that to petitive trading conditions and stem losses and restore profit a write-down in stocks was ability it recognised the need to further strengthen the board.

> ments, including a new chairman, are planned. A recommendation to cut the final dividend from 2.15p to a nominal 0.1p was also made, the line, the company took Borrowings at The interim dividend was account of £1.89m (£84,000) of group assets.

March 1986 compared with a Falling timber prices throughout 1985 resulted in very comthought prudent at the year-end. In addition, the poor post-Some changes have already Christmas weather severely taken place and further appoint- curtailed building activity, and high interest rates — com-pounded with high gearing cost £4.19m (£2.86m). Besides the problems above

The directors said that they had reviewed the value of group properties and deemed it appropriate to write down the value of three sites. Also, heavy rationalisation and run-down costs were incurred in the north west during the year and provision had been made in respect of the anticipated costs of further rationalisation.

extraordinary debits, which left

They added that the group's borrowing facilities been successfully renegotiated.

Meggitt bid battle hots up

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Wed July 23

8.93 3.57 14.26 9.26 591.96 700.98 598.01 499.01 753.28 9.15 3.73 13.73 11.47 787.84 794.95 793.68 526.21 844.79 7.99 3.82 17.12 18.95 1213.86 1222.95 1223.36 806.38 1220.78 8.80 4.28 14.89 33.82 1796.50 1827.26 1818.48 1297.15 2992.98 9.84 3.96 13.53 12.41 1537.17 1575.25 1576.36 1318.23 1794.13 9.97 4.19 12.77 6.44 390.81 390.90 389.76 266.39 422.95 8.79 4.28 14.45 5.01 335.56 335.43 331.73 177.27 380.88

Tues July 22

index No.

E L

8.21 9.24 9.55 9.54 9.54 9.54 9.73 9.89 9.52 9.19

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11.50 11.39

11.27

1 10.85 19.87 12.39 12.18 24/2

12.07 11.32 10.81

4.41 4.23 3.25

12.72 11.93

14/1 14/1

4/2 21/1

terday said there was "irrefut. ance director. able logic" to its \$88m contested

In the year under review operating profits came out ahead at £1.29m (£899,000) but the share of related companies was down at £81,000 (£237,000) aerospace and defence, high management to restructure the management could ma

Est. P/E zd adj. Ratio 1986 (Net) to date

| Contracting, Construction GB | 1195.38 | -1.5 | 7.99 | 3.82 | 17.12 | 18.95 | 1273.86 | 1222.95 | 1223.36 | 1269.78 | 2092.98 | 214 | 1530.81 | 1563.84 | +0.4 | 9.44 | 3.06 | 13.53 | 12.41 | 1557.17 | 1575.55 | 1570.36 | 1318.27 | 1794.37 | 304 | 1387.58 | 1387.38 | 1279.59 | 1388.42 | 12.95 | 1388.42 | 12.95 | 1388.43 | 1389.59 | 1387.36 | 1389.84 | 12.95 | 1388.44 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 1389.59 | 138

500 SHARE INDEX(500) . 838.57 -0.4 9.51 4.05 13.19 23.12 841.68 854.08 848.20 649.93 917.63 3/4

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7.15

7.27

7.**5**7

1.99

1.84

5.82

30/11/84

30/12/83 31/12/80

84.55 +8.38 \$4.45 - 3.73 18 Preference

Index-Linked 11 inflat's rate 5%

287.41

15 Date &

12 Inflat's rate 5% Over 5 yrs... 13 Inflat's rate 10% 5 yrs... 14 Inflat's rate 10% Over 5 yrs...

15 years...

4 Opening Index 1545.7 10 am 1546.8; 11 am 1547.1; Noon 1545.7; 1 pm 1543.5; 2 pm 1542.0; 3 pm 1541.3 3.30 pm 1597.8; 4 pm 1540.5.

| 508 SHAKE | INDEX(500) | 338.57 | -U.4 | 7.51 | 4.55 | 5.17 | 5.12 | 51.50 | 54.50 | 582.20 | 582.20 | 589.50 | 41.55 | 5.18 | 57.50 | 14.18 | 588.60 | 582.20 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 582.20 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 41.50 | 587.50 | 14.18 | 588.60 | 589.50 | 41.50 | 587.50 | 14.18 | 589.50 | 14.18 | 589.50 | 14.18 | 589.50 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18 | 14.18

Friday July 25 1986

Est. Gress Earnings Div. Yield % Yield % (Max.) (ACT at 29%)

686.65 773.07

FIXED INTEREST

149.55

148.25

164.11

136.31

114.81

9 Brinstons & jami... 119.94 +8.19 119.62

Day's change %

+6.98 121.96

+0.01 140.53

+9.15 148.65

+0.31 163.60

+8.06 136,73

+9.01 113.14

+8.12 134.67

115.21 +0.14 115.84

PRICE INDICES

1 Syears

2.5-15 years.

5 All stacks

7 Over 5 years...

6 5 years.

8 Ali stocks

3 Over 15 years.

-8.8 -1.9

bid for Bestobell, the electronic and mechanical components supplier.

Its recovery programme would of. If they succeed it will set be sabotaged if Meggitt succeeded. In the early 1980s, Meggitt, which has secured Bestobell ran into major prob-In the formal offer document, lems on insulation contracts at Meggitt said the two companies two power station construction

Meggitt Holdings, the spe- an exceptional fit," said Mr ICI executive who joined Bestocialist engineering group, yes. Nigel McCorkell, Meggitt's fin-terday said there was "irrefut- ance director. her, said: " Meggitt want to get Bestobell hit back saying that into areas we are getting out

the backing of a 29 per cent stake in Bestobell held by BTR, the industrial conglomerate. had complementary products in projects in Australia, forcing said it was confident its own

753.28 304.86 50.71 13/12/14
844.79 44/86 44.27 11/12/14
1280.78 21/18/6 44.27 11/12/14
1280.78 21/18/6 17.48 21/12/14
1280.78 21/18/6 84.71 25/6 8/2
1280.78 21/18/6 12/20 8/10/65
422.95 18/4/86 12/20 8/10/65
322.48 37/18/6 12/3 15/1/15
322.48 37/18/6 12/3 15/1/15
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13/47/13 3/4/86 61.41 13/12/14
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891.53 4/4/86 98.43 6/1/75 955.38 14/3/86 71.26 1/12/74 281.13 9/5/86 45.34 2/1/75

525.13 14/4.86 45.96 13/12/14 13/15/27 12/2.786 45.86 16/12/14

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9.72 9.79 9.69

29:4 13/5

17/4

44.88 2/1./75

33.29 17/12/74

9/1 1100.24 3/7/86 60.39 6/7/75 141 1899.88 3/4/86 59.81 13/12/74

574.78 1 /7 /86 1229.63 11/4 /86

629.86 4/4.86 707.33 20/3/86 913.47 7/7.86

390-22 1.7/86 367-14 11/7/86 362-88 4/4/86

Highs and Lows Index

141 23/1 23/1 2/1 24/1 23/1 2/1 14/1

613.05 911.08

1530.81 1387.58 316.63 261.87 206.50 993.47 739.82 764.25 549.51 1429.83 1175.61 731.17

8.6m new shares to him and the Saatchi brothers, who head the advertising agency Saatchi and Saatchi. He has been reviewing NMC's been reviewing NMC's activities, starting with the packaging side.
In addition to the acquisition of Internoly he was seeking to hoost Propp Corra-

Hawley raises stake in

Brengreen

gated Cases, NMC's cardboard

hox business. Propp made a

pre-tax profit of £9.596 last year, on turnover of £3.5m

Hawley Group continued yesterday to make clear its intention to play a part in the agreed £31m bid by BET for cleaning group Brengreen Holdings by further acquisition of Brengreen shares.
Before the BET bid earlier this week Hawley owned about 11 per cent of fellow contract-cleaner Brengreen and on Thursday it revealed its continuing interest by taking its stake up to 15.5 per cent. Yesterday it hought a further 2.25m shares, taking its stake to 18.9 per

Times Veneer stake acquired

A group of investors led by Mr David Landau, a solici-

tor, and Mr Robert Newman, an accountant, have acquired 29.9 per cent of "The Times" Veneer, a timber company long the subject of bid speculation, from Pebble Investments. Shares in the company closed last night at 58p, down 1p on the day.

Mr Peter Beswick, a stockbroker at Henderson Crosthwaite, and Mr Landau each hold 9.97 per cent, with Mr Newman having 6.81 per cent. Associates of Mr New-man are said to hold the balance of the 29.9 per cent. Mr Beswick said yesterday that he was very much a

passive participant, but he understood Mr Landau and Mr Newman were keen to expand the business through acquisitions. No talks have yet been held with its man-

Capital Ltd

The net asset value at 30th June, 1986 The net asset value after contingent Capital Gains Tax

LADBROKE INDEX 1.264-1.270 (-6)

Berry Trust hits out at £86m bid from Ensign BY TERRY GARRETT

to leave shareholders in no tions. NMC Investments, which doubt as to what they thought took on a new lease of life when Charles and Maurice Saatchi acquired minority of Ensign Trust's early morning 886m bid.

Mr Bertie Boyd, joint managing director of GT Managestakes last March, has greatly

expanded its packaging busi ness with the purchase of privately-owned Interpoly, a profitable security wrapping ncern, at a maximum cost Ensign, a young trust which per cent.
has evolved from Murray The pr
Growth after the Merchant Berry's ho
Navy Officers' Pension Fund ment, the Mr Norman Gordon, NMC's chief executive, said yesterday that further acquisitions. probably of service industries. (MNOPF) took control last year, is making a share and were likely. He was also hoping to recruit new members

debenture offer for Berry in the now classic formula basis geared to net asset value. NMC is paying for the deal by an issue of 8m new shares, at £1 each. Singer & Fried-lander, NMC's financial ad-The offer will be equal to 96 per cent of net asset value with a cash alternative of 92 per visers, will place 7m of them with institutions, the rest be-ing retained by Interpoly

The bid came as little surprise to Berry's management who had been watching Ensign build up a share stake since April. Berry had recently made hands."

THE DIRECTORS of Berry an unsuccessful approach to Trust moved quickly yesterday Ensign to sound out its inten-

> gether with the shares held by two Merchant Navy funds (which Ensign manages) it trolled by the MNOPF. The fur it-

The prize for Ensign is if Ensign succeeds.

Berry's holding in GT Manage— The offer is £1 management house which reket. Although Berry reduced its stake in GT by 6.39m shares in

Ensign already has a 9.15 per attractive alternatives arguir cent holding in Berry and to- that if they took Ensign share

ment which manages the Berry
Trust, described the bid as "non-sensical" and the cash alternative to the paper offer as "mean and opportunistic." and Sun Life Assurance with 6.3 trolled by the MNOPF. The furwill retain a 75 per cent intere will retain a 75 per cent interest will retain a 75 per cent will retain a 75 and Sun Life Assurance with 6.3 be in a minority position "wit per cent."

> ment, the international fund cently floated on the stock marthe offer it still holds 11.7 per

cent of the equity.

The interest in GT fits in neatly with Ensign's policy of developing financial services. Mr Philip Henderson of Ensign believes that the changing face of the City will put the "power into the investment managers'

Mr Boyd was insisting tha the offer presented Berry shareholders with some up they, would end up minori shareholders in a trust co

The offer is £1 nominal debenture stock plus Ensi shares (up to a maximum 1.65 shares) for each Ber share. Ensign's shares will valued at 97.5 per cent of ass value.

Based on estimated net ass values as at July 23, the b 269.4p. The cash alternati would be 264.9p.

In the market Berry's share closed 2p down at 253p ar Ensign's 2p lower at 146p.

AE shows determined defence

BY DAVID GOODHART

AE, the engineering group in relation to the claims arising quarter of sales, and account fighting an unwelcome £177m from asbestos-related disease. for some 35 per cent of tot fighting an unwelcome £177m bid from Turner & Newall, yesterday punched out a determined defence raising the spectre of continuing liabilities to T&N arising from its asbestos business, and stressing ts continuing dependence on

Africa.
Sir John Collyear, the AE chairman, denounced the bid as an attempt by T&N to "alleviate many problems posed by its dependence on assestos by buying a successful but surpleted horizont."

but unrelated business."
When it made the bid T&N pointed to the favourable judg-ment in the US courts which had fixed a liability of £8m on tributed 40 per cent of operations value which last night was 22 one of its insurance companies ing profit from less than one T&N closed 3p down at 196;

from asbestos-related disease. However AE states that in 1978 T&N was a defendant in claims totalling 2.8bn dollars. It adds that no claims total has

subsequently been given to shareholders and asks "what is the total figure for claims now outstanding?" and "what steps have been taken to ensure that it is not manufacturing additional litigation from employees or customers?" Finally it states that the search for substitutes will be "costly and time-consuming."

AE also states that in 1985 T&N's African operations con-

capital employed which, claims amounts to "a distur ing degree of reliance on u

Although both compani share motor componer divisions AE said industr n logic was illusory as it us different kinds of machines different raw materials. 🎿 also fears a cut-back in t research and developme, which it claims has made it market leader in many of s products, if T&N is successfu

Financially, AE said that offer currently values each share at 47p beneath its mart

Alfred Preedy falls to £0.4m

LOWER OPERATING profits, Mr S. L. Preedy, the chair-higher interest charges and the man, said that the start of the current year had been marked half, and caused an increasin existence last time of an exceptional credit, have together retional credit, have together retional credit, have together retional credit, have together reby the disposal of the company's
interest charges ahead of he
trading benefits now flows
Alfred Preedy & Sons, West
tors were taking particular care
through, Mr Preedy stad.
Lower interest rates and ish

the company reported increased losses of £323,000 (£188,000).

by £6.22m to £113.64m, pre-tax in both the stores and CTN's profits fell from £1.02m to just (confectionery, tobacco and £383,000. At the halfway stage newsagents). The directors are maintaining over recent years to reduce the £158,000.

the dividend total at 3.875p, however, with an unchanged final of 2.875p. Earnings per 25p share are shown down from

tobacco and newspaper retailer, and capital expenditure would generated by recent dispals in the year ended March 29 be focused on refurbishment to would reduce finance chages in the current year, hower, Although turnover improved marketing and merchandising he predicted. tewsagents). interest for the year tok.

The chairman said he had no £759,000 (£507,000). Last me

prove to be correct.

doubt that the actions taken an exceptional credit aded spread of trading interests and focus on retailing alone would

From an operating post down from £1.37m to £1.3m.

Capital expenditure to finance the group's accelerated expan- costs.

After tax of £26300 (£220,000), there were endordinary charges of £32800 (£45,000) relating to cloud:

AGB Research warns of 15% fall in profits

Research, market would show an effect in 1986-87. research company, announced The problem subsidiaries, in that next month's preliminary results, for the year to endaporate and in administration support April, would show pre-tax services, had been sold. The profits 15 per cent down on last costs will appear as significant year's 19.2m, it blamed problems in Australia and in two other subsidiaries.

The tax charge would also increase due to a greater pro-portion of profits from overseas and the need to provide for ACT on this year's dividend. Earn-ings per share were forecast to

The failures in Australia were said to be caused by an ambitious growth plan which was overtaken by a sharp down-

service operating in the US from October 1987. turn in activity and the weakening of the Australian dollar, The shares closed 26p down Action had been taken which at 170p. Attwoods in £4m acquisition

field-based land fill and waste scrvice company. by brokers Rowe & Pitman,
The acquisition adds to Mullens and Anderson at a Attwoods' North of England price of 160p each. Attwoods presence, established when it shares closed yesterday at 162p, took over two Yorkshire quar-unchanged on the day. ries last November. Attwoods is engaged in aggregates and DERBY TRUST'S net asset rectamation businesses in the value at June 30, assuming full UK through its subsidiary, subscription of outstanding war-Drinkwater Sabey, but derives rants, was 263.5p (last year

and aggregates company in of the 2.6m ordinary shares which Hawley Group has a issued to pay for Roper to controlling stake. The shares are being placed

factory" and he "expected the

value at June 30, assuming full rants, was 263.5p (last year 70 per cent of its profits from 225.5p) and not 206.5p as re-

. Cu	rrent	Date of	Sponding	Total for	Total last
· Pa;	ment	payment	div.	year	уеаг
Invest	1.5	Oct 2	1.2	2.5	1.8
ords	3.73	·	3.73	5.28	5.28
Arrow	3.25	Oct 1	2.7	5	4.2
int	3	_	- 4		13
Hassell	0.1	Sept 1	7 2.15	0.1	3.75
Preedy	2.88	Oct 2	2.88	3.88	3.88
t Metal	1.5	· Aug 2		2.5	3.5
Te	0.6	Oct 2	0.33	ī	1

Ailsa I Beristo Black Briteil May & Alfred Radian Rexmo Wm Sommerville Unigroup †1.1 0.251.1 †2.4 Watsham's

group to produce increased profits for 1985-86." Yesterday AGB also announced an agreement with Schroder Ventures to form a be not less than 6p, compared with 11.43p last year. company to extend AGB's television audience research business in the US. It is planned that AGB will have a

controlling stake, is paying tain its 29 f4.2m for J. R. Roper, a Shef- Attwoods.

DIVIDENDS ANNOUNCED

Watsham's

Dividends shown in pence per share except where otherwise

12,500 (162,000) and the stated. Equivalent after allowing for scrip issue, i On capital on realisation of investment.

Base value 114.13 114.13 96.67 100.00 100.00 100.00 29/12/67 29/12/67 29/12/67 19/04/62 31/12/75 30/04/82 261.77 63.75 100.00 153.84 30/12/77 31/12/74 31/12/74 31/12/73 Debs. & Longs حكذا من الأصل

exchange rate index rose from 112.7 to 113.4.

in late trading although its exchange rate index calculated

earlier in the afternoon showed

earlier in the afternoon showed a rise to 73.0 from 72.9 at the opening and 72.8 on Thursday. However the pound dipped to \$1.4830 from \$1.4940 and DM 3.18 compared with DM 3.1925. It was also lower against the Swiss fram at SFr 2.5675 from SFr 2.5750 and FFr 10.29 from FFr 10.3150. A visible UK trade deficit of £623m was hardly encouraging while North Sea oil prices were marked down a shade. Trading was generally quiet and uneventful however

shade. Trading was generally quiet and uneventful however with sterling relegated to the sidelines for much of the day.

% Three

3.56 1.21-1.18pm 1.34 0.65-0.43pm 4.19 3'j-3'j-sm 2.65 47-38pm 1.13 5-3's-pm -0.56 par-0.20dis 5-42 4's-3'p-pm -6.41 190-470dis -2.95 110-150dis -2.98 13-14x-dis -2.98 13-14x-dis -2.91 6'j-8's-pm 0.21 'j-par-pm 5.45 3-24pm 4.95 25'j-23's-pm 4.95 25'j-23's-pm

3.36 1.21-1.16pm 2.77 1.20-1.00pm -2.03 0.70-0.30dis 0.79 0.80-0.55pm -0.54 5-10dis -2.23 3.25-3.75dis

2.04 1.05-1.00pm -9.66 250-430dis -8.56 180-220dis

-5.50 171-19dis

-- 5.50 17:-19dis -- 8.30 15.00-15.50d -- 0.91 1.25-1.40dis -- 2.18 5.25-5.60dis 1.86 0.74-0.69pm 1.59 6-4pm 1.35 0.64-0.59pm

Six Months

978-10 612-558 938-878 538-519 478-5 418-411 778-711 1138-1134

715-736 7-712 475-434 912-10

71g-78q 7-71g 4;; 45; 93g-101g 6;8-6;;

POUND SPOT-FORWARD AGAINST POUND

11.131-11.141 10.281-10.291 10.50-10.51 2331-2361 22.40-22.43

1.4795-1.4915 1.4825-1.4835 0.43-0.40c pm 1.3804-1.3910 1.3815-1.3825 0.37-0.27c pm 1.3857-1.3880 1.3865-1.3875 0.22-0.25c dis 2.4100-2.4270 2.4145-2.4155 0.17-0.15c pm

2.4163-2.4279
2.4145-2.4155
2.144-44.45
44.14-44.45
44.14-44.45
2.1370-2.1555
2.1445-2.1455
2.1370-2.1555
2.1445-2.1455
2.38-0.325pt pm
1482-1493
133.60-137.45
137.05-137.15
6.9175-6.9650
7.043-7.09
15.63-15.15
15.63-15.15
15.12-15.12-1
1.7240-1.7380
1.7315-1.7325
1.7240-1.7380
1.7315-1.7325
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1.7240-1.7380
1.7315-1.7325

716-788 634-712 478-5 834-914

2.56-2.57-2

0.43-0.40c pm 0.28-0.18c pm 1½-1½c pm 1½-½c pm 1½-½c pm 1½-½c pm 1½-½c pm 1½-1½pi pm 70-185c dis 35-65c dis 2-5 lire dis 4½-5-yor dis

4½-5½ore dis 2½-1½c pm ½ore pm-½ dis 1½-½y pm 9¼-8½gro pm

Belgian rate is for conventible france. Financial franc 66.30-66.40.

Six-month forward doller 2.33-2.28c pm. 12-month 4.40-4.25c pm.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

† UK and Iraland are quoted in US currency. Forward pramiums and discounts apply to the US dollar and not to the individual currency.

Belgian rate is for convertible france. Financial franc 44.70-44.80.

Sterling was generally weaker

CURRENCIES and MONEY INTERNATIONAL COMPANIES and FINANCE

HK Wharf pays an extra 50% of dividend

Fina

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By Our Financial Staff

SHARPLY higher profits and a hefty increase in the dividend are reported for the year ended March, 1986 by the Hongkong and Kowloon Wharf and Godown Company, soon to be known as Wharf (Holdings). The group, a diversified property company which last

year took control of Wheelock Marden after an intense HK\$2.5hn (US\$320m) takeover battle has increased net profits by more than half to HK\$707m with earnings per share rising from 30.1 cents to 45.4 cents. The performance, boosted by the first time inclusion of profits

allowing the dividend to go up from 21 cents a share to 31.5 cents. The final payment for the past year is 23 cents. The strong earnings an-

nouncement is accompanied by plans for a number of capital moves, notably a one-for-ten scrip issue and an issue of warrants

Turnover last year rose to HK83.25bn from HK81.53bn with much of the increase attributed by the group to the acquisition of Wheelock

Marden. HK Whart's net debt at the end of the year totalled HK\$900m, roughly half the figure at which borrowings stood in the balance sheet a year earlier. This change largely reflected the fall in interest rates, the com-

pany said. The company is to recommend to shareholders that its name be changed to Wharf (Holdings).

Pechiney and US company in smelter link-up

By Paul Betts in Paris

REYNOLDS METALS, the US aluminium concern, is planning to team up with Pechiney, the French nationalised aluminium and metals group due to be privatised, in the new US\$1bn Becancour aluminium plant in

Quebec.
As disclosed earlier this week Pechiney is trying to reduce its 50,1 per cent stake in the Canadian 230.000 tonnes a year plant which has just come on stream. Alumax has a 24.95 per cent holding and the Quebec province SGF group owns another 24.95 per cent.

Pechiney said yesterday that it planned with Reynolds to form a 50/50 joint venture which would own its 50.1 per

terday.

operations.

Oct. Jan. Apr. Oct. Jan. Agr.

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110 75 45

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152 — 9 97 115 25 70 80 50 47 57 84

39 25 15

98 68

15 24 31 15 7 14 21 33 4 70 - 50

92 14

57 37 29

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300 42 48 58 330 18 27 38 360 5 13 21

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Aug. Nos. Feb. Aug. Mor. Feb.

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11

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14 25 48

23 15 7

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2

50 58 6 8 11 33 37 20 23 25 15 18 40 45 48

4 8 20 28 55 57

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- 17 23 - 32 55 50

The tyre group, which re-

turned in the black last year

after extensive restructuring, said yesterday it was shutting

its passenger car tyre plant of

LONDON TRADED OPTIONS

7-111% 03-07 (*£118)

Pechiney added that the proposed deal with Reynolds would involve less than 60.000 tonnes of aluminium capacity a year and that it would thus still Zuen, near Brussels, employing leave Pechiney as the world's 1034 workers. The French third largest aluminium pro-ducer after Alcan and Alcan, about 270 people in Belgium plant has accumulated losses with nearly 1m tonnes of annual on commercial and marketing of more that BFr 700m (\$16m)

Com. Unio (*308)

McLean in new talks with bankers Foreign exchanges

BY WILLIAM HALL IN NEW YORK

shipping fleets, is seeking fresh being explored, including sale help from its bankers for the of assets, says McLean. second time in three months to defer payments on its \$1bn of borrowings which it took on to finance its recent major fleet expansion,

The New York-based com-pany, which operates 32 container ships, announced late on Thursday that it was seeking to defer payments on its debts while a restructuring plan is developed.

BY OUR NEW YORK STAFF

late on Thursday, rose sharply

Some 1.22m shares, or about

in early dealings on the New York Stock Exchange on

7.5 per cent of those outstand-

ing, changed hands at around \$53!—up more than \$7 from

Wednesday's closing price of

Hammermill said yesterday it

would have no immediate com-

BY ADRIAN DICKS IN NEW YORK

The company, whose bankers last April granted it a mora-torium on \$139.5m of principal payments over the next two years, lost \$70.7m in the first quarter of 1986 and expects to report a similar loss in the second quarter.

US Lines' decision to out into service 12 of the biggest container ships in the world has aggravated the overcapacity in

Bid boosts Hammermill shares

SHARES IN Hammermill Paul Bilzerian, a California vear results would be well Paper, the largest US producer based businessman, who claimed ahead of 1985 despite a probofine writing paper which yesterday that he and his received a \$900m takeover bid associates already own 19.6 per third quarter.

associates already own 19.6 per

The forest products company has been the object of a good

deal of speculative talk as a potential takeover target in

recent months. Although it re-

ported a strong recovery in net income during the first half year

carlier, it still earned a rela-

tively modest return on sales of

\$913m up from \$865m a year

Aetna soars by almost 300%

the largest shareholder-owned rance still neede to improve during the quarter rose to composite US insurance com- further to make up for the \$3.63bn, from \$3.57bn, while

pany, showed an almost four-losses and inadequate returns not investment and other infold increase in net earnings of recent years.

during the second quarter to "We are also working to come rose to \$1.28bn, from \$42.8m, from \$64.5m in the improve the cost and avail. \$1.18bn, Net income during the second avail. The second recent years are commercial in quarter was lifted by a \$31.3m.

Operating earnings rose to said. "The meaningful tort re- Aetna's net income rose to \$159m, from \$100m, or to \$1.37 form legislation already passed \$493m, from \$120m a year a share from 90 cents. Mr in several states makes the earlier, or to \$4.32 from \$1.05 James Lynn, chairman, said civil justice system more fair, a share. Premium income rose

there had been gains in all efficient and predictable and to \$7.24bn, from \$6.72bn, and

lines of insurance business, will improve the casualty marinvestment income to \$2.57bn but warned that earnings on ket in those areas." from \$2.32bn a year earlier.

MICHELIN, the French tyre Although Michelin reported turing programme at the Bel-

group and the world's second a consolidated net group profit gian plant in 1983 involving

year, is closing its loss-making industrial operations in Bellium. Production ceased yes. of FFF 100 (\$145m) last year 30 100 cuts.

after several years of heavy About 90 per cent of the glum. Production ceased yes.

The Zuen plant dates back to

1937 and started losing money 12 years ago. Since 1974, the

Michelin launched a restruc-

Aug. Nov. Feb. Aug. Nov. Feb.

PUTS

3 8 12 23 30 37 67 70 75

14 15 24 34 45 44

7 — 43 33 40 43 80 80 80

17 21 25 40 40 40 40 40

17 Z7 33 40 35 43 45 33 60 62 65 72 85 85 85 90 110 110 110 110 115 155 155 155 159 — —

its restructuring to improve largely to other European mar-

profitability. It claimed that kets. The closure also reflects there was no way to make the the continuing overcapacity in Belgian industrial operations the tyre market which is cur-

viable again even in the rently estimated at about 20

per cent.

dancies next week.

per share rose to \$2.12 from surance through our efforts to carried forward tax loss.

55 cents. achieve tort reform," Mr Lynn In the first six m

Michelin axes Belgian plant

largest tyre maker after Good- of FFr 1bn (8145m) last year 30 job cuts.

medium term.

25 15 8

33

300 32 44 52 3 10 13 330 14 24 32 13 18 24 350 5 11 20 36 38 42

70 47 27

July Aug. Sept. Oct. July Aug. Sept. Oct.

cent of the company.

ment on the \$52-a-share bid earlier.
announced late on Thursday by Mr Craig McClelland, the

a group of investors led by Mr president, predicted that full

AETNA LIFE & CASUALTY, casualty and property insu-

same period last year. Earnings ability of commercial in-

McLEAN INDUSTRIES, parent investment bank, is helping where several other major dustry. However, his decision to of US Lines which controls one develop a restructuring plan operators have also introduced order 12 new container ships in new capacity.

McLEAN INDUSTRIES, parent investment bank, is helping where several other major dustry. However, his decision to operators have also introduced order 12 new container ships in Korea was seen as a major

Mr Malcolm McLean, the 72-year-old president of McLean Industries, is regarded as the industry, and built Sea-Land into one of the most successful companies in its field before selling it to R. J. Reynolds.

Mr McLean later bought back into the industry by acquiring US Lines, one of America's most famous shipping companies, and is intent on re-establishing him-First Boston, the New York the container shipping industry self as a major force in the in-

third quarter.
Mr Bilzerian, who claims a

\$500m financing commitment from Bankers Trust and

National Westminster Bank USA, was quoted today as say-

ing he believes Hammermill to

Five years ago, Hammermill

fought off an unwelcome bid by

Mr Carl Icahn, the Wall Street corporate raider, by buying

back \$31m worth of its own

shares in an early example of what later became known as

Aetna's premium income

come rose to \$1.28bn. from

In the first six months,

be well-managed and efficient.

from Bankers

• A group of banks has formally decided to extend a total of weekend. Once again there was \$275m in loans to the financially little incentive to run short positroubled C. H. Tung shipping tions over the weekend despite group. The banks include the Bank of Tokyo, The Industrial Bank of Japan and Hongkong Shanghai Bank, and the move follows pressure by Japanese shipbuilders, including Mitsubishi Heavy Industries on the group to take delivery of 12 ships it has ordered, writes has ordered, writes Yoko Shibata in Tokyo.

Judge allows LTV important breathing space

By Our Financial Staff LTV, the US steel, energy and aerospace group which filed under Chapter 11 of the US Bankruptcy Code earlier this month, won an important breathing space in its fight for surrival when a Federal Judge in New York allowed it to pay its aerospace and

energy division suppliers.

The company's aerospace and defence unit was the only profitable division last year. and a lawyer for LTV said maintaining its financial integrity was essential for the continued operation of LTV as a whole, and impor-tant to the US Government's defence efforts.

Offer for Intraco fails UNITED Industrial Corporation, the Singapore chemicals, trading and investment group. has failed in its hostile bid for Intraco, the listed trading corporation controlled by the island's state government, and

has allowed the bid to lapse. The bid, valuing Intraco at \$127.5m (US\$58.2m) SS127.5m received acceptances only 1.3 per cent of the com-pany's capital. UIC already owned 17.9 per cent

People omits dividend

PEOPLE EXPRESS, the struggling cut-price US airline, is to omit its quarterly common stock dividend to save cash pending the sale of its Frontier Airlines subsidiary to United Airlines. The company has been paying a 5 cent dividend. The regular quarterly dividend on

the company's series B cumulative convertible pre-ferred stock is being main-Disposal by Time Inc. TIME INC, the big US media group, has sold all its 2.4m shares of Temple-Inland, the

which it span off in 1984, for about \$110m. Time retained the 10 per cent stake after the spin-off, when it agreed to sell the stake at a future time to conform to Federal tax

US forest products group

Japanese electronics group hit by tumbling exports

BY YOKO SHIBATA IN TOKYO

Michelin is expected to start

negotiations with its Belgian

workers over the plant redun-

MATSUSHITA ELECTRIC, tors and other home appliances Japan's largest producer of consumer electric and electronic products, reports a 26 per cent decline in net earnings to Y94.8bn (8606m) for the six months ended May 1986.

The setback, the group's first appreciation of the yen which has severely curbed exports plus the fall in video recorder prices. Total sales dipped 8 per cent to V2.293bn for the half-year.

grew 4 per cent to Y338.5bn. Because of the Yen's strength overseas sales were slack, tumbling 16 per cent to

Y1.048bn. Matsushita could not make an earnings prediction for the full year. "The situation is fluid The setback, the group's man in 11 years, is blamed on the year. "The situation is fitted in 11 years, is blamed on the year. "The situation is fitted in 11 years, it difficult to make predictions," it said.
During 1985-86, the company

Sales of video equipment, including VCRs and televisions, fell 18 per cent to V700 ct. exchange strength of the yea while those of audio equipment exchange strength of the yen narrowed by 11 per cent to which ate into export profit Y200.0bn. Sales of refrigera-margins.

Credit Suisse achieves strong first-half growth

BY JOHN WICKS IN ZURICH

CREDIT SUISSE, one of the balance sheet, the bank experi-Swiss big three commercial enced the same sluggish growth hanks, achieved a marked ex-pansion of business for the first banks, these increasing by only half of this year and an increase in gross earnings.

The bank, which increased net profits by 22 per cent last year to SFr 507m (\$295m) expects a further improvement for 1986 as a whole. The rise in earnings in the

first six months was due particularly to increased commission operations, while narrower margins meant that interest income remained unchanged, Income from securities business was considerably higher than in January-June, 1985.

Credit Suisse also earned more from foreign-exchange trading, though the precious metals sector suffered from unfavourable market conditions. The balance sheet expanded

5 per cent during the first ceeded budgeted targets. hali to SFr 93.04bn. The corresponding increase SFr 4.4bn since the end of 1985 1985 net profits rose 21 would have been one of to a record SFr 28.8m.

SFr 7.7bn but for the decline
The balance-sheet to in the dollar.

1.5 per cent to SFr 58.78bn.

● Handelsbank NW, the Zurich-based affiliate of the NatWest Group, expects "good overall results" for this year. In the first half, the board says, earnings were above both last

year's levels and its own expectations thanks particularly to increased commission income. In 1985 the bank's net profits had risen by 17 per cent to SFr 17.5m. consolidated balance

sheet total rose 3 per cent over the first half to SFr 4.02bn Bank Julius Baer, of Zurich, reports a "very satisfactory" growth of earnings in the first half. All sources of income, particularly those from securities trading and commissions, are said to have clearly ex-

The bank forecasts "very good" results for the year. In 1985 net profits rose 21 per cent The balance-sheet total ex-

panded 14 per cent to over Total loans and advances to SFr 3.12bn in the first six at 91 per cent and in band 4 £7m clients were up 6.1 per cent dursix months, bringing up the ing the first six months to SFr consolidated published assets of eligible bank bills at 91 per the 42.435n.

The first six months to SFr consolidated published assets of eligible bank bills at 91 per the 42.435n. Total loans and advances to SFr 3.12bg in the first six

Dollar up on short covering

Close

3.57¹2-3.60¹2 85.70-66.64

11.957-12.057-1.0705-1.0750 3.177-3.207-219.28-221.64

202.85-221.84 202.88-2.200 11.121-11.191-10.281-10.361-10.68-10.55 2231-2351-22.40-22.62 2.561-2.581-

The dollar improved from £ IN NEW YORK Thursday's levels in the London foreign exchange market yester day, underpinned by a little short covering ahead of the \$1,4780-1,4780-81,4810-1,4920 1 month | 0.43.0,42pm | 0.43.0,41pm | 3 months | 1.20-1,18pm | 1.23-1,30pm | 1.23-1,30pm | 1.42.4,37pm | 1.42.4,37 a prevailing bearish undertone. The market was already looking remiums and discounts apply to the US dollar ahead to next week's US trade figures which are expected to provide further incentive to establish a definite trend.

wisdom of marking the dollar sharply lower. The US unit closed at DM 2.1450 from DM 2.1365 and Y157,60 compared While the US economy shows little sign of recovering from a sluggish rate of growth, there was little enthusiasm for pushing the dollar weaker for the with Y156.60. Elsewhere it finished at SFr 1.7320 from time being with recent com-ments by leading US officials SFr 1.7240 and FFr 6.9390 compared with FFr 6.9050. On Bank bringing into question of England figures, the dollar's

STERLING INDEX

		July 25	Previo
	8.30 am	72.9	72.8
	9.00 am	72.9	72.8
	10.00 am	73.0	72.8
	11.00 am	73.0	72.8
	Noon	73.1	72.8
	1.00 pm	73.0	72.8
	2.00 pm	73.1	72.8
i	3.00 pm	73.0	72.9
ľ	4.00 pm	73.0	72.8

CURRENCY RATES

July 25	Benk rate 2		European Currency Unit	
Sterling	=	0.798147	0,663857	
US 5	6	1,18868	0.986823	
Canadian 5.	8.57		1.36923	
Austria Sch		N/A	14.9504	•
Beigian Fr.		N/A	43.8470	
Danish Kr		9,60572	7.99129	
D'mark			2.12512	
Guilder			2.39344	
				•
French Fr			6.87076	
Ling	: 12	1746.71(1)	1459,02	- 1
Yen	1 31g	186,266	156,165	1
Norway Kr.	: 8 -	8.93293	7,42091	ī
Span'h Pta		N/A	135.836	i
Swedish Kr		8.41288	6,99658	- 1
Swiss Fr		2.05939	1.71362	
Greek Drch		164.739	136.5826	
				•
irish Punt	<u> </u>	A.856209(T)	0.11578	

CS/SDR rate for July 23: 1.65880. (1) SDR rate for July 24.

CURRENCYMOVEMENTS

July 25	Bank of England Index	Morgan Guaranty Change %		n rete ls f	the US dollor convertible	le francs. F	inencial free	C
Sterling U.S. dollar Canadian dollar	113.4 78.2	-19.1 +4.1 12.6	July 25	Short term	7 Days notice	1 Month	Three Months	•
Austrian schilling. Seigian franc Danish Kroner Deutsche mark Swiss franc Guilder Granch franc Lire Yen	95.4 86.4 136.9 165.1 127.1 69.0 46.8	+7.4 -7.2 -1.0 +16.2 +21.1 +10.6 -13.8 -16.9 +60.0	Sterling U.S. Dollar Can Dollar D Guider Sw. Franc Dautschmrk Fr. Franc Italian Lira	94-978 64-68 772-818 512-556 24-212 412-413 736-712 9-1012	97g-10 6-1-5-1- 8-814 512-55g 1414-141g 4-3-411- 714-73g 1014-1114	913-10 613-63- 813-813- 668-544 5-518 414-458 714-788	978-10 612-558 838-858 5-518 5-518 412-458 714-738 1114-1134	
Morgen Guaranty		E Sversge	B.Fr.(Fin) B.Fr.(Con)	678-718 614-714	71g-78g 2 634-71g	71g-74e 7.71g	71a-74a 7-71a	

(base average 1976=100).

OTHER CURRENCIES

July 24	2	ş
Aus'ala Seazil Finland Greece H'kong Iran Kuwait Lux'burg Malaysia Nyiand Saudi Ar Sin'pora SAf (Fn) SAf (Fn)	1,3530-1,3555 2,4650-2,4885 -2,47-20,60 -2,530-7,5730 203,99-207,57 11,645-11,555 -115,80 0,46199-0,43285 55,70-65,80 3,9425-3,9500 2,8085-2,8150 5,5778-5,5830 3,2590-3,2640 3,2590-3,2640 7,2583-7,6306 7,2583-7,6306	1.6580-1.6600 13.77-13.84 5.0810-8.0840 137.00-129.30 7.8120-7.8140 77.00* 0.2898-0.28988 44.40-44.40 2.6460-2.6490 1.8870-1.8920 3.7515-3.7525 2.1870-3.1890 2.3545-2.5640

Long-term Eurodollars: two years 6^* - 7^* , per cent; three years 7^* - 7^* , per cent; four years 7^* - 7^* , per cent; five years 7^* - 8^* , per cent nominal. Short-term

71g-73g 7-71g 4;3-47g 9-91g

EXCHANGE CROSS RATES

July 25	£	8	DM	YEN	F Fr.	S Fr.	H FL)	Ura	C S	B Fr
£	0.674	1.483 1,	3.180 2.145	233.8 157.6	10,29 6,939	2,568 1,732	3,580 2,415	2182 1471	2,056 1,386	65.7 44.3
DM YEN	0.314 4.278	0.456 5.344	1_ 33.60	75.51 1000,	3,936 44,02	0,807 10,98	1.126 15,52	686,0 9333,	0.646 8,794	90.6 261
F Fr. S Fr.	0,972 0,389		3.090 1.259	227.2 91.04	10, 4 .008	2,495 1.	5.479 1.394	2120. 849.7	1.998 0.801	63,9 25,6
H Fl.	0,279 0,448	0,414	0.888 1,458	65,39 107,2	2,874 4,717	0.717 1,177	1. 1.641	609.4 1000,	0.574 0.942	18.3 30,1
C S B Fr.	0,486	0.721	1,547 4,837	113.7 355.6	5,006 15,65	1,249 3,905	1.742 6.445	1061. 3318.	1. 3,126	31,9 100

Yen per 1,000: French fir per 10: Lira per 1,000: Beig fir per 100.

MONEY MARKETS

Quiet ending in London

bank money eased to 9fi-9fi per cent from 91-10 per cent, while the three-month rate was unchanged at 9:-10 per cent. Weekend interbank money opened at 94-10 per cent and traded mostly at 10-101 per cent before rising to 103 per cent during the after-

The Bank of England forecast a shortage of around £700m with factors affecting the market in-

UK clearing bank base lending rate, 10 per cent since May 22

cluding maturing assistance and a take-up of Treasury bills to-gether draining £266m and Exchequer transactions a further in the note circulation of 2275m.
These were partly offset by banks' balances brought forward 55m above target. To help alle-viate the shortage the Bank offered an early round of assistance which comprised purchases of £58m of eligible bank bills, £34m in band 1 and 97 per cent, and £24m in band 2 at 917 per

The forecast was later revised to a shortage of around £650m before taking into account the early help and the Bank gave additional assistance in the morning of £169m through outright purchases of [46m of eligible bank bills in band 1 at 9] per cent and £61m in hand 2 at 918 per cent. In band 3 it bought 13m of local authority bills and £47m of eligible bank bills all

cent.

Interest rates showed little overall change in London yesterday. Trading was quiet ahead of the weekend with no new factors to influence the market. Longer term rates edged down a sixteenth of a point but there was little change in outlook on the prospects of a short term cut in base rates. Six-month interbank money eased to 943-948 per

FT LONDON INTERBANK FIXING

(11.00 a.m. July 25)	Six months US dollars		
Three months US dollars	bid 6 ls Offer 6 Se		
bid 6 to Offer 6 se	bid 6 ls Offer 6 ss		
The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five	reference banks at 11 am each working day. The banks are National Westmin- ster Bank, Bank of Tokyo, Dautsche Bank, Banque Nationale de Paris and Morgen Gueranty Trust.		

MONEY RATES

July 25	OV r-nigit	One Month	Two Months	Three . Months	Six Months	Lore bar
Frankfurt ParsZurich	. 8	4,55-4.65 718-714 518-514	4.55-4.65 71 ₈ -71 ₄	71,71	4.55-4.70 716-71	5.5
Amsterdam Tokyo Milan	54.5% 4.65625	55e-55s 4.65625	: — ·	512-514 512-514 4.71875		=
Brussels Dublin	6.50 °.	73.77.		1112-1116 714-73e 1018-1036		=

LONDON MONEY RATES

July 25	Over ! night	7 days notice	Month	Three Months	Six Months	One Year
Company Depos	954-1054 954-578 954-978 954-10	978-1016 954-978 954-10 954-1018	9∤3-934 9∵-10 10 es.	91g-10 947-945 913-10 1019 914 915	97:-9, 93:-913 9:10 1019	9 ₁₃ .9; 93.97, 93.10 101,
Treasury Bills (Buy) Bank Bills (Buy)	_	_	9.7	9-, 9:9	9	9.,
Fine Trade Sills (Buyl Dollar CDs	= ;	- 1	9, 10 % 5.45 6.50	, 913 101: 6.45-6.50	9 d 10 10 45 6 50	
SOR Linked Depos	_ :	_	614-648	bin-ban	614.65	6 6

Treasury Bills (self): one month 9112 per cent: three months 912 per cent. Bank Bills (self): one month 9132 per cent; three months 9131 per cent. Treasury Bills: Avorage tender rate at discount 9.5315 per cent. ECGD Fraod Finance Scheme IV reference dete June 4 to July 1 (inclusive): 9.821 per cent. Local Authority and Finance Houses saven days notice, others seven days lived. Finance Houses Rase Rate 10 per cent from July 1 1936. Bank Deposit Rates for sums at seven days notice 4.35-4.375 per cent. Certificates of Tax Deposit fired months 10 per cent; three-six months 10 per cent; six-nine months 10 per cent; under 100,000 to per cent; six-nine months 10 per cent; under 100,000 to per cent; cent cent for cant from July 16.

Deposits held under Series 5 10 per cent. Daposits withdrawn for cash 512 per



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WORLD STOCK MARKETS

9

Littlencial Times pararray out no.

	WORLD STO	CR WRARREIS
NEW YORK Stock 25 24 Stock Stock 25 24 Hall (FB)	July July 25 84 Stock 25 24 Stock 25 24 Stock 25 24	WALL STREET S89 on rumours to be considering divestitures of its own. Alied Signal jumped \$3 to \$42 US drug firms to make a hepamidsession, moved up 21.2 to
AGS Computers. 18 13 Cincinnat Mil. 2014 8014 Harmarmill Ppr AMCA 1112 1112 Cincinnat Mil. 2014 2014 Harma Mining. AMR Corp. 5013 4914 Cilicorp. 5512 65 Harcoart Brace.	1819 1774 Motorola	Alied Signal jumped \$3 to \$42 US drug firms to make a hepa-midsession, moved up 212 to in heavy trading—it is considering share buybacks, or other of pharmaceuticals. Alied Signal jumped \$3 to \$42 US drug firms to make a hepa-midsession, moved up 212 to the pharmaceuticals. Sports goods maker Puma was restructuring, though no specific Other Biotechnology - related listed and started with a strong
AVX Corp. 11 1114 Glove Cliffs Iron 1174 1279 Heris Corp Abbott Labs 5014 50 Clorox 5812 58 Hecia Mining	31 314 Nato Chem. 24'; 24'; Sea Containers 22'; 22:; 125!; 125 Nat. Dist. Chem. 35's 33'; Seagate Tech 11'; 11:3 15's Seagram	off economic plan has been forwarded to its shares also gained ground. board. JC Penny advanced \$44 to \$83—an analyst citing a \$120 SINGAPORE DM 495, compared with a DM 310 mark issue price. Dentsche led the Banking
Adoba Res 65, 65, Coca Cola. 405s 401s Helrz (HJ)	457 ₆ 453 ₄ Nat. Semicodotr 9 834 Sears Roebuck 437 ₈ 463 ₉ 181 ₂ 185 ₈ Nat. Service Ind. 357 ₃ 358 ₈ Security Pac 357 ₂ 341 ₈	a share takeover value was said Short covering and some sector, rising DM 2006 790. to be behind the rise. bargain-hunting helped share Commerciank added DM 8 at
Aetna Life	39 39 NONB 4736 4113 Shell Trans 47 4076 6534 6534 Sherwin Wms 2636 2619	Street vesterday, following up- 885 on a buy option. Street vesterday, following up- 100 options after early softness in quiet trading: SWITZERLAND SWITZERLAND
edient Alberto Culver 21 2058 Commonw th Ed. 5118 5214 and was Albertson's 45 4518 Comm. Satalite. 34 3414	Netwirk Systems 12% 12% 12% New England EL 32% 32% Skyline	Reagan Administration which gave fuel to the week's rally The Dow Jones Industrial share against a loss of 16 cents because of lack of fresh factors The Dow Jones Industrial last year. Brokers said the market's Domestic stocks again higher on average turnover. Dealers said the firmer dollar and uncertainties surrounding helped the Stock Market to con-
mights Alexander & Al 3714 : 3736 Roalm Allegheny Intl 16 1614 Comp. Sciences, 35 3414 Homestake	181s 18 NYTimes 76 7611 Smith Int 215 215 215 2014 2015 Newmont Min'g, 433 4231 Smith Kline, 944 9176 6714 Nies, Mohawk, 25 25 Smith Kline, 944 9176	Mestern Union Common fell the upcoming Malaysian General tinue the recovery after the single of 32.06 St to \$4—the company couldn't Elections. The Straits Times Industrial the institute of the first two days of the firs
X mon Allied Signal	371g 575g Nike 8 141g 1412 Sont South 181g 181g 181g 1412	All Common Huxe, at \$138.41 Lilco put on \$\frac{1}{2}\$ to \$12\frac{1}{2}\$ the index gamed 3.49 to 726.92 and internationally known shares on the week. Advances, led decay and that it was willing to hold to 23.40 Through 7.3m (9.8m) Internationally known shares generally recorded minor gains, on the week. Advances, led by
inquir Alcoa	223, 8276 Noble Affiliates 9 95 Sth.M. Eng. Tel 5512 5616 Norstrom 4011 5814 Southfands 513 513 5216 Norfolk South 7 80 7915 Sweet Airlines 193 193	of 131.9m (134.7m) shares. its Shoreham plant for shares. "secondary" issues. Stocks jumped in mid-morning THE AMERICAN SE Warket cent at \$51.21. led the actives PARIS
her G m, Brands 2513 9412 Converg. Tachs 2114 Husky 011	2419 2378 Northeast Office 25% 1431 1491 1493 1143 4591 4014	as the Administration confirmed Value index rose 0.32 to 266.31 with a turnover of 616,000 shares. Firmer at the end of a fairly Press accounts that it expects for a net rise of 0.09 on the Pegi Malaysia lost 3½ cents to quiet session. Advances led 1987 growth to be over 4 per week Volume 9.68m shares. 494 cents with 497,000 units declines by 102-to-70.
t a ne: Am. Elec. Power. 2973 2912 Cooper Inds 40 3834 IU Int	25a 25a 27i4 97i4 N West Airines 45i2 42i2 Std. Brands 215a 21ia 55a 55a 55a 55a 55a 55a 55a 55a 55a 5	cent. Bupt reaction was mild. Some laid the blame for the big early July selloff on a grow- Stocks closed modestly higher traded, while Promet held steady at 50 cents on 363,000 shares to shad been taking profits on the last two sessions.
Trailed Am. Holst	1712 1714 Norton 36-2 3544 Std Oil Ohio	ing fear that the economy was side that the
T Call Am. Inti' Grp 1344 133 Crown Zell 364 3612 Interco	1912 184 Ocean Drill Exp. 11 114 Storage 1ech. 27 24 24 21 22 24 25 26 2 2	But with a trickle of upbeat Metals and Mines weakened, institutional investors. The Hang Seng index rose 7.57 but the Bank of France Bourse.
which Am. Petrofina	Super Value Str. 257g 251g	Bonds mostly went lower and reported a first-half loss against the week to nearly 84 points. The closed yesterday that it had kept interest rates higher. Durable a year-earlier profit. Hong Kong index put on 5-28 to rate at 7 per cent when it
One b Ameritach 135 1325 Dayton Hudson 47 4712 Int. Flavours 155 1325 Dayton Hudson 2312 2356 Int. Income Prop 1	155 Oneck 51 51 TRW 983 984 985 154 144 Outboard Marine 31 51 Tgf 1112 1112 1115 154 1312 Overseas Ship 24 24 Tambrands 111 1103	2.1 per cent in June, the first Minerals slipped \$\frac{1}{2}\$ to \$21\frac{1}{2}\$—it Brokers said US, British and injected liquidity into the gain in four mouths. The first posted lower second quarter Japanese institutions continued market.
much Amoco 575g 571c AMP 371e 351; Soun Analog Devices, 181g 171g Dix chk Print 58 571g Irving Bank 5	505s 454 Owens Illinois 3754 3714 Tandon 518 413 5512 6514 PACCAR 4812 5114 Tandon 577 37 5568 412 5442 PHH Group 3254 3254 Tandy 377 5568	and, at the close of last week's revenues. be undervalued stocks, focussing trading, the Federal Reserve mainly on Blue Chips. TOKYO TOKYO AUSTRALIA Lower as investor sentiment remained bearish in the wake of
Conf Anchor Hockg 251; 251; 251; 251; 251; 251; 251; 251;	35% 344 PPG inds 643, 641, Telerate 183, 1812	that was decidedly upbeat, with second half growth at 2.5 to 3.0 heavy volume, as investors second half growth at 2.5 to 3.0 heavy volume, as investors. Firmer after an active session the All Ordinaries index was
Last : Archer Daniels : 185- 183- 183- 183- 183- 183- 183- 183- 184- 184- 184- 184- 184- 184- 184- 184	5814 58 Pac. Gas & Elec. 25% 2514 renneco	Hammermill Paper climbed positions in anticipation of the from Paul Bilzerian at \$52 a taking and cleared out their as markets, seen as oversold, 9.6 easier at 1,118.8, the All continued to recover from index lows early this week. The Nikkel Dow index rose Positive reports about the Gold index 5.6 to 970.1.
Donnelly (RR) 7212 6914 5754 5754 Dow Chemical 5412 5614 Chemical	Pac. Telesis 563g 56 Texas Eastern 2712 2818 Pall 3714 3714 Texas Instrum 10873 10314	share. The bid was topped on another 24.35 to a record economy, the slightly higher National turover 82.6m shares speculation of a higher offer. 18,050.59, Volume 1.2bn (1.3bn) dollar and strong first half worth A\$188.3m (87.5m shares Safeway jumped \$1½ to \$61½ shares. Declines outnumbered results for Dresduer Bank, up valued at A\$158.2m). Falls out-
Drosser. 1412 142 1438 Automatic Rich 4578 4718 Auto. Data Pro 3214 3314 Dupont 7712 7513 Kennametal 3314 Dupont 7712 7753 Kennametal 3314 Dupont 3314 Dupon	23g 25g Pan Am. Corp 57g 57g Texas Unificial 541g 543g	—it was rumoured to be congains by 524-to-368. DM 4.5 at 409.5, combined with numbered rises 302 to 177, sider going private to avoid a Sharp increases in share prices a technical upward reaction to over the past three days, howmake for yesterday's gains. But JOHANNESBURG
green Avnet 29 285g E Systems 367g 37 KeyCorp 1285g Kimberly-Clark 8	155 255	Teledyne climbed \$23 to \$318 ever, encouraged some investors most shares ended off the best. Gold shares were mostly—it was reported to be con- to cash in their profits, whittling—Banks, carmaker VW, up DM 7 higher on continued demand for sidering the spin off of one of down what might have been a at 467, and Electrical Signers, selective issues, as the gold price
By Baldwin Utd 958 934 Eastern Airlinea. 9 9 1712 Knight Rdr. Inc 28 29 29 29 20 20 20 20 20	15 to 24 to Penn Pwr & L. 383	its units. Stronger advance on the Nikkel up DM 1.5 at 614.5, were the beld firm and the financial rand most actively traded stocks. General Mills jumped \$5; to Index.
hallel Banc One	135a 435a Perkin Elmer 251c 255g Total Pet 181a 183a	CANADA Stock 25 24
	71g 67 Pfizer 67 g 66 g Transamerica 35 kg	Stock 25 24 Cambell Red L 213e 214 Dome Petroleum 1.03 1.01 Macmil Bloedel 363e 36 Reed Stenh'se A. 513e 524 Can. Cement Pt. 141e 14 Domtar 294 29 Magna Int 353e 354 Royal Bank Can. 223e 234 236 AMCA Intl 151e 153e Can. Packers 173e 173e Fed. Inde. A 171e 17 McIntyre Mines 36 36 Royal Bank Can. 317e 317e 317e
hat t Bankers Tst N.Y. 46.3 46.5 46.	613 76 Philips Pet	Abitibi
rival BecktonDick'sc 564e 571e FPL Group 351e 341e Lotus Duval 3	1314 3314 Pitney Rowes 5914 5734 USX : 1714 1714	Bank Montreal 31/2 30/3 Carling O'Kie; 15/5 15/6 Hawkor Sid. Can 27/5 27/4 Norcen Energy 13/2 13/2 Shelco A
US b Beker Into	Planning Res ch.: 1914 Uniferer N.Y 1972 1972 1972 Plessey 1973 1972 Union Camp 4774 4675 1972 Page Producing: 51. 55. Union Carbida 223. 223. 223.	Bombadier A 23 22 Connisgas Mines. 4.00 Imasco 355s 35t Numac 0il & G 7tg 7ts Thomson News A; 295s 30tg Bow Valley 97s 97s 97s Cons. Bathst. A 24 24 Imperial 0il A 37 365s Oakwood Pet 2,20 2,30 Toronto Dom. Bk; 217s 21ts 18 P.Canada 88 27ts 28 27ts 28 28 28 28 28 28 28 28 28 28 28 28 28
catal: Bell South 6136 6036 Federal Mogul 40 41 Louisiana Pac 2 even Beneficial 4512 4536 Fed. Nat. Mort 361s 365s Lowes 2 Ye Batt Labs 381c 381c Fed. Paper 8*rd 242:76 261s Lucky Strs 2 Appe Big Three Inds 245c Frestone 281c 85s MA Com Inc 1 appe Black & Decker 151; 151c Frestone 297:34 34s Frestone 292:45 34s MGA 40 41	1436 2413 Polarold 64 6412 Union Electric 2918 2834	BC Forest
sings Block H. & R.) 581: 381: 1st City Bank 61: 65: Mack Trucks 1	3-8 -8-8 Price Co	AUSTRIA GERMANY NORWAY AUSTRALIA (continued) 13PAN (continued)
of t Blount Inc B 1416 1416 1416 1416 1416 1416 141	Prime Computer 19 19 US Shoe. 22 22 22 22 22 23 24 24	July 25 Price + or
Bowater Inc	145s 434 Purinan Prody. 91s 87s US West	Credit nst it pp 2,840 + 10 AEG
E.P	1914 4973 1234 4116 1235 4116 1236 4316 1236 734 734 1237 734 735 1238 6334 6334 6334 6334 6334 6334 6334 63	Perimooser
Brown Group 3814 383 ₈ Fort H'wd Paper 8214 5154 Martin Marietta, 4 Brown & Sharp 2512 28 Foster Wheeler 1214 1214 Masco	1414 4834 Ramada Inns 73e 71e Verntron	BMW
Brunswick 3612 3614 F71 Burlington Ind 3633 3614 Burlington Nrth 5216 5256 GATX 3254 3258	Raychem	July 25 Price + or Daimler-Benz
See Grinds 67% 65% GTE Co 56½ 56½ 56½ 56½ 56½ 56½ 56½ 56½ 56½ 56½	Republic Bano 2214 2214 Wang Lars B 1413 1518 Research Cott 29 2914 Warner Comma 4818 4634 4 14 Resort Intl. A 6914 5958 Warner Lambt 5934 6918 4 14 Resort Intl. A 6914 5958 Warner Lambt 5934 6918	Bang, Gen, Lux, 19,900 — Dresdner Bank 409.5 +4.5 Boo Bilbao
Gabot	67 ₃ 661 ₂ 13 833 Watkins-Johnson 363 ₄ 363 ₉	Cockerii
Campbell Red L. 1512 1512 1512 1513 151	1473 1456 1473 1473 1474 1475	Fabrique Nat 2,075 —0 Hussel
ne Garolina Power. 39% 38% Genentech 82% 81%	Rohm & Hass 31:9 30:9 Westinghouse 53:9 51:9 Rollins	Intercom 3,615 +5 Unde
pt Garter Howley 571 37 Genrad 612 613 Merck 10	7314 723; Rowan	Petrofina
0) Center	31g 31g 11 11 12 Rubbermald 13 Ryan Homes 34 34 35 354 48 49 Whittaker 283g 283g 285g 31s 37lg 31s 8vder System 27lg 37lg 37lg 38lg 31s 8vder System 27lg 37lg 31s 8vder System 27lg 37lg 31s 8vder System 27lg 37lg 31s 8vder System	Sofina
Champion Spark 9½ 916 Gringerr (WW) 40½ Mohasco Moha	101; 101: SPS Tech	Wagons Lits 5,380 ±70 Schering 542 +7 Gardo (Free) 305 Sank East Asia 18,1 +0.1 Stomo Corp 1,020 -10
Gaati. Pac. Tea. 25½ 24½ Molex	10 10 St. Paul Cos	Varia
Chesebrough P 471, 46; Grow Group 111, 101; Moore McCrinck, 1 Chevron 35:4 Grumman 26 25: Morgan JP., 8 Chesago Photum 364; 364; Gulf aWestern 561; 6.52 Morgan Stanley, 6 Chrysler 371, 351; Gulf States Uti 84e 81; Morrison Knud. 4	165: 161: Santa Fe SPac 27:3 28 Zapata	Volkswagen
NEW YORK INDICES		D. Sukkerfab 330 : -15 Danske Bank 285 -8 De Danske Luft 1,370 July 25 Lira Swedish Match 381 -4 East Asiatic 194 -1 Danske Luft 1,570 194 -1 Volvo B (Free) 381 -8 HK Land 6 +0.1 Tokid Bank 990 +10 Tokic Biect Pwr. 5,260 -100 Volvo B (Free) 381 -8 HKt Clephone 194 -1 Tokyo Ciect Pwr. 5,260 -100
OCW July July July July 1986 Since Cmp JONES 25 24 25 22 21 High Low High Low AU	July July July July 1986 25 24 23 22 High Low	Forenede Brygs, 1,040 -10 Banco Com'le 23,950 1710 -82- Forenede Damp. 207 -11 Bastogi-IRBS 636 -17 GNT Hid
Alindustri'is 1810.04 1791.62 1798.37 1795.13 1779.11 1903.05 1502.29 1909.03 41.22	TOTA, 71 1:80: 1118,8 1129,2 1157,7 1155,7 1247,9 77 5: 1019,8 (2.1) etals & Minis, (1:185) 491,1 499,1 502,1 505,3 602,0 (24.5) 481,1 (20.5)	lyske Bank
71 14:1 Transport. 720.50 715.38 726.38 729.75 720.38 830.34 936.97 830.84 12.32 BE	editbic Aktien/30/12.84	Smidth F.L. B 271 -11 La Rinascente 1,047 + 2 Adla Intl. 6,650 + 25 580 + 5 1,470 580 + 5 1,470 580 + 5 1,470 580 + 5 1,470 580 + 5 1,470 580 + 1,580 580
Utilities 207.45 205.42 205.42 205.51 203.61 207.45 163.47 207.45 10.5 DE 25 7. 72.1 25.7.86 6/4.54 Co	ENMARK ppenhagan SE (5/1/85) 292,53 203,30 253,55 255,92 250,78 /18/6 282,59 (25/7)	Pirelli Spa 5,200 +45 Giba Geigy 3,000 +25 July 25 Price + or Yasuda Fire 877 +2 FRANCE Spin BPD 5,520 +30 Gredit Sulase 3,540 +15 Toro Assic 28,495 Ejektrowatt 3,100 4 Incorporate 1,870
STANDARD AND POOR'S Composite: 240,22 257.95 258.67 258,18 256,24 252,76 285,49 232,76 4,40	RANCE 40 General (51,12,82) N.A. 374,3 567,1 318,7 411,3 15,5 257,8 (2)1; d Tendance (31,12,82) 144,0 143,1 156,9 125,1 154,5 12,5; 101,5 (2,1)	July 25 Price + or Frs Hoff-Roche PtCts 98,000 + 3,000 Alps Electric 1,790 - 10 July 25 Price + or Hoff-Roche PtCts 98,000 + 3,000 Alps Electric 1,790 - 5 - 7 - 7 - 7 - 7 - 7 - 7 - 7 - 7 - 7
industrials 265.32 262.73 263.65 263.27 261.13 282.24 276.83 232.26 3.62 Co	ERMANY AZ Aktien (31/12/59) 9:5,31 516,65 524,52 525,92 755,88 (17.4) 585,92 (22/7) mmerzbank (1,12,53) 1851,75 1823,5 1755,8 1762,4 22/7,8 1762,4 (22/7)	Sempruf 72 1973 7,800 +80 Sem Tokyo
N.Y.S.E. 158,-1 137,25 137,67 157,58 136,25 14,15 117,75 149,15 4,46	DNG KONG ang Seng Bank:51:7/64. 1945.57. 1889.60 13:5.36 1731.52 1865,65 (7.5: 1869,94 (19/5)	Bourgram 1,860 -15 ACF Holding 531 : Pirel 1 -453 +3 Gasio Comp - 1,810 +20 Hong Leong Fin. 2,30 -0.05 BSN Gervals 3,957 +27 Abold 90 +0.5 Sandoz (Pt Ctsl. 1,540 +20 Daiel 1,610 -40 Keppel Bbd. 2,02 -0.5 GT Alcate 2,320 -5 AkZO 157.5 +1,1 Schindler (Pt Ctsl. 690
COMPOSITE (2.7) (22.1) (27) (5 25.44 Bank MKT 266.51) (265.99 (267.20 (266.92 (266.53 (295.13 (240.50 (295.15 (297.27 (240.50 (295.15 (297.27 (240.50 (297.27 (297.2	ALY anca Committal, (1972) 717,55 774,52 552,11 687,85 906,20 (20:5) 454,67 (24,1) APAN** (ikke) (19.5)43, 18552,53 18055,2 17650,1 17632,5 (2050,53 /25/7) 12891,5 (21/1)	Cub Mediter n. 565 + 15 ABN. 599 + 0.5 Sike 1,300 Dai Nippon Ink. 495 - 5 Malay Utd. Ind. 1,35 CB Bancaire -1,859 + 11 AMEV 75.2 - 0.1 Surveillance A. 7,350 - 245 Dai Napon Ptg. 1,230 Multi Purpose. 0,42 - 0,02 CBC
OTC COMP. 57 (9.1) 57:26 5:18.7 Te year ago Ni	PAYO SE New (4-1/38) 1452.02 1445.31 1411.51 1555.02 1452.02 (25.7, 1025.65 (27.1) ETHERLANDS NP.GBS General (1970) 252.0 223.3 234.5 232.0 254.9 (11.7) 249.4 (5.5)	Darty
Dow Industriel 3.81 3.72 3.59 3.66 4.61 July 16 July 9 July 2 June 25	NP.CBS Indust (1970, 235,7 295,3 234,4 257,8 235,7 (11-7), 254,0 (5.9)	Eif Aquitane
S and Pind PiE ratio 17:12 17:82 18:61 18:32 12:20 SI	Sign SE (4.1.83) 538.07 533.37 545.63 547.55 432.81 /15(1) 556.07 (25/7) NGAPORE traits Times (301/2/66) 725.32 725.43 725.24 723.73 775.83 (25.6) 565.84 (29/4)	Lefarge Coppes, 1,380 + 5 Hoogsvens
Millione July July lices Traded 1,944 1,960 1,960 St. Volume 25 24 23 Rises 949 649 854 13 Falls. 592 916 735 J5	OUTH AFRICA SE Gold 28-9/80 — 1285.2 1257.1 1555.5 1555.9 22 7: 1109.1 121:0 SE Indust (28.9 78: — 1211.3 1219.9 1214.9 1219.2 21 7: 1019.5 (21)	Motra S.A
New York 151.96 134.71 133.27 Unchanged 413 395 371 Amer 9.66 9.64 10.18 New Highs 80 86 ST	PAIN Addred SE (30:12:95)	Moet Hannessy 2.275 - 30 Ned Mid Bank 207.7 - 0.3 ANZ Group 4.53 -0.87 Itch (C) - 626
CANADA	WEDEN Acobson & P (\$1)12:55. 2455,15, 2456,14, 2475,27, 2455,89, 2519,55 (7,7), 1729,57(29/1)	Perrod Ricard 1,019
Metals & 26 24 25 22 21 High Low St. Minerals 1984.7 2015.9 2007.6 1988.9 2442.85 (21.5, 1935.9 18.7)	WITZERLAND WISS BANKCON(51,12:58 563.2 507.2 563.4 625.5 (8 1) 502.0 (23.7) ORLD	Printemps - Nulls 508 +10 Rodanco 123 +0.5 Boral 4.08 -0.85 Rode Steel 185 -3 Carrel Finance 3.9 -0.05 Redoute -1.870 -19 Reformation 50.3 +0.5 Boral 4.08 -0.85 Color 185 -3 To Boers 29.35 Redoute -1.870 -19 Reformation 50.3 +0.2 Brambles Index 6.02 -0.04 Carrel Finance 3.9 -0.05 -0.05 Carrel Finance 3.9 -0.05
MONTREAL	.S. Capital Intl. (1/170) - 273.5 125.7 324.5 531.4 4/7; 249.8 (25/1)	Stris Resignal. 1.500 -45 [VMF Stock
Change Change Change Friday Stocks Classing on Stocks Classing on traded price day traded price day traded price day	Beso value of all indices are 100 excess Brussels SE-1,000, JSE Gold-	Telemec Elect - \$210 - 120 VNU 518 - 1 CRA 518 - 0.18 Nyocera 5,640 - 20 Nacromore CSF 1,650 + 15 Wessaren 72,5 + 0.4 CRA 5.58 - 0.12 Marubeni 581 - 3 Nodbank 5.7 - 0.2 Valeo 70 West Utr Bank 50 Class Corp 5. 1,500 + 0.15 Mazda Motors 304 + 5 Class Corp 5. 1,500 + 0.15 Mazda Motors 304 + 5 Class Corp 5. 1,500 + 0.15 Mazda Motors 304 + 34 + 34 Coles-Myer 7 0.1 MEL 5.7 - 0.7 Nodbank 5.7 - 0.2 VRING Mazda Motors 304 + 34 + 34 Coles-Myer 7 0.1 MEL 5.7 - 0.7 Nodbank 5.7 - 0.2 VRING Mazda Motors 304 + 34 + 34 Coles-Myer 7 0.1 MEL 5.7 - 0.7 Nodbank 5.7 - 0.2 VRING Mazda Motors 304 + 34 + 34 Coles-Myer 7 0.1 MEL 5.7 - 0.7 Nodbank
- 569 Mm. 42351049 592 - 1 617 Com. 1,77,609 59 - 1 525 500 50 - 277 - 2 ATT	Type All Common—50: Stendard and Poors—10: and Toronto Composite and letals—1,000. Terento Indices based 1975 and Montreal Portfolio 4/1/83. Excluding bonds. 1409 Indicates 51: 40 Utilizes. 40 Financiate and 20	NOTES — Prices on this page are as quoted on the individual Consolidated Pot 0.18 M'bishi Chem
P. Connous .	150 - 1:5	Tongast function 7.5 -0.25

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COMMODITIES AND AGRICULTURE

REVIEW OF THE WEEK **US** labour troubles buoy up aluminium

ruptions are escalating again month. ensured that aluminium remained the strongest feature on generally firmer London Metal Exchange markets this

ployers' wage-cutting terms for new labour contracts. A couple of Alcan plants are also strike-

The situation could become more serious next week as a further clutch of labour negotiations run up against their contract deadlines. Concern about possible

supply shortages as a conse-quence of further US produc-tion disruption encouraged a position on the LME this week. This lifted the price to £763 a tonne, £34 up from the sevenmonth lows seen in the middle of this month, when it seemed likely that aluminium industry workers would follow the example of their counterparts in the copper industry, who succumbed to employers calls for wage cuts after putting up surprisingly little resistance.

For its own part the LME copper market appears to

old per oz... ead Cash

Quickeliver (76 (bs).

Tin. Free market.....

nut (Philippines)

Copra (Philippines)

OTHER COMMODITIES

Cocoa Futures Sept.... Coffee Futures Sept.... Cotton Outlook A Inde

rofficial + or ose (b,m.) — £ per tonne

Unofficil + or High flow

close — 896.8 —3 898 915.6 —2,75.919/906

868.9 -3 870:869 889.91 -4 920,5/890

COPPER

Grade A

LEAD

WEEKLY PRICE CHANGES

11200/240 + 29

\$2300/2406 + 20

179/1990 +3.0 \$112.00 -0.50 \$444.75 |+5.85

\$170/185'-17.5 336,35p +0.20 344,00p +0.20

... £135.00 WHEAT Futures Nov....... \$104.25 ,+0.25 | £101.50 -£121.45 £98.80

£1909.5 56.55a \$99.5 \$225

£915,5 \$349,75

SIGNS THAT US labour dis- down from the beginning of the

Another strong performer this week has been zinc, with cash metal moving £18 higher to £554.50 a tonne—a 12-month high. The firmer trend reflected Strikes are continuing at improved European demand some Alcoa and Reynolds and speculative buying en-Metals installations following couraged by talk of a further workers' rejection of emstocks this week. News that workers at the Broken Hill lead and zinc mines in Australia had returned to work after a 6-week stoppage (once again in response to management's cost cutting proposals) had little market impact. Dealers explained that it would be some time before Broken Hill supplies began flowing again and in the meantime the full impact of the strike would still be working through.

Among the soft commodities the strongest performer was sugar, with the London daily raws price finishing \$13.50 higher on the week at \$145.50 a tonne. The advance was influenced by talk of renewed Chinese buying and the EEC Commission's decision to curb exports because of the widening gap between the world market and the EEC support level, which was pushing up the cost of subsiding exports.

Other factors mentioned in ing sparked off by disappoint the market were the rolling forment at the bloodless settle- ward of shipments from Thaiment of the US labour round. land, which had been threaten-Cash Grade A copper ended the ing to flood the European sellers. Nearby futures prices week £8.50 higher at £897 a market with unwanted sugar, ended little changed on balance tonne, exactly recouping last and announcements of white after a £43.50 [72] was mostly week's decline but still £18.50 (refined) sugar buying tenders recouped yesterday.

\$94.25 \$115.10 \$95.25 \$271.00 \$450.50 \$342.50

\$298/310.\$250/260.\$170:185 431.75p | 462.10p | 317.70p 443.95p | 466.20p | 325.60p

\$440 \$405

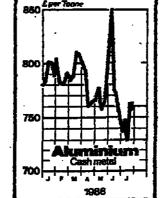
\$225 \$212,5

- £135,00 |£146,50 |£130,00 | Soles: 2,816 (1,925) lots of 5 tunnes. +0.25 |£101,50 |£121,45 |£98,80 | ICO indicator prices (US cents per bound) for July 24: Comp. darly 1979 | 155.89 (155.95): 15-day average 148 12

GRAINS

101,50 104,25 107,25 109,85 112,15

WHEAT



by Jordan, North Yemen and Pakistan.

Cocoa prices continued to consolidate the gains which fol-lowed last week's successful renegotiation of the International Cocoa Agreement. The September futures opsition ended another £25 higher at £1.432 a

In Geneva meanwhile talks on

the final detail of the agreement

have continued and were due to conclude last night. There has been some nervousness, how-ever, ahead of the return to the meeting to Mr Denis Bra Kanon, the Ivory Coast Agriculture Min-ister, whose dramatic walkout from a negotiating session in February seemed to have doomed the pact and whose change fo heart at the current round of talks made its survival possible. As the world's biggest cocoa consumer the Ivory Coast's participation is considered vital for the continua-tion of the price-stabilising pact. The coffee market had a fidgetty week with rains easing the Brazilian drought fears which pushed prices some £300 a tonne higher in the space of two weeks but the possibility of a damaging frost discouraging

INDICES

REUTERS

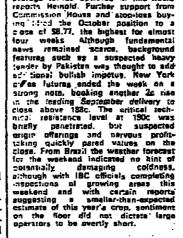
DOW JONES

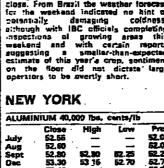
July 25 July 24 M'th ago Year ago 1456.11444.7 1452.8 1584.3 (Base: September 18 1931 = 100)

Dow : July | July Month Year Jones 25 | 24 | 220 | 230

Spot 126,44 126,25. — 115,10 Fut. 115,68 115,64 — 115,20

-	US MARKETS
1	SUGAR FOUND remained to: lowing technically multivated
	after the live- and 20-day average turned upwards in m
	reports Heinold. Further supp Commission House and alog-li
	ing 14rd the October positi
	lour weeks Although fun- news remained scarce, bar
	features such as a suspecte tender by Pakisten was though
	ed tional bullish impotus. K
	strong note, beeking another in the leading September de





COTTON 50,000 lbs, cents/lb

CRUDE OIL (LIGHT) 42,000 US gallons, S/barrel

April

BARLEY

Yesterday's + or Yest'rdy's + or

-0.20 101.65 -0.25 104.40 +0.20 107.35 +0.21 109.60 +0.15 110.70

Aug Sept Oct Nov Dec Jan Feb Merch April May

HEATING DIL

42,000 US gallone, cents/US gallone

High 32,90 31,70 34,45 36,40 36,85 36,85 36,85 31,60 31,30 32,30

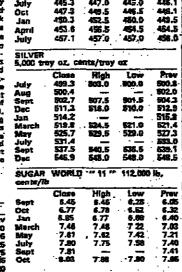
GAS OIL FUTURES

U\$ 5

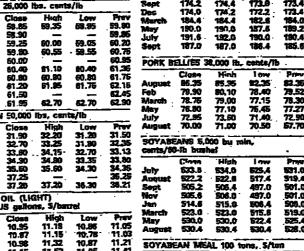
Tumever: 866 (2.866) lots of

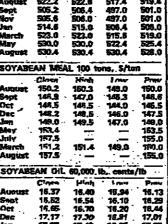
POTATOES

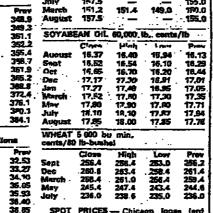
97.75 —1.25 71.86-97.50 99.50 —1.25-191,75.36.58 102.75 —0.75 161.75-02.56 105.50 —0.50 195.68-46.50 107.50 —0.50 195.68-87.50 110.00 — 116.08-

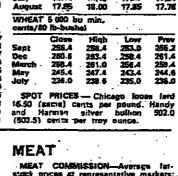


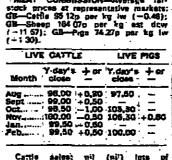












Cartie dalest mil (nil) jota 5,000 kg. Pros sales: 65 (5) lots of 3,250 kg.

SUGAR

LONDON DAILY ! S145 50 (£97.50) up tonne for August-Si White sugar \$190.00.	\$5.50 (eptensher	651.very.
No. 5 Yest'rdy's P Con close tract	ciose	Eusiness done
5 per tons	e F.O.B.	
Aug . 745,4-147.8	14.0-165.E	147.8.133.6
Oct 151.4-151.6	40.2-140.2	161.8-141.S
	43 D 148 B	
Mar 167,4-167,8	155,0 157.D.	167.9-168.6
	A. 181 - E. 183. 6	
Aug 175 8-177 8 1	E4 9.165 B	170 11

Ar By	171,0-17	7,6 156,8 2,0 160,2 7,0 184,2 1,0 180,2	187.6 19 166.A 17	5.B	۶,
		(2,521)		of 6	0
sed bes	Lyle de ta sugar	ilivery pri waa E19	ce for 7.0 (E	grant 194.0)	2
nts pi	er , pou	Sugar Ag nd fob .) Prices	Sug	STORM	d
	DE 5.84	(5.63); T	6-day	averag	ie
PARIS	DE 5.84	(5.63); T	6-day	everag	ľ

FREIGHT FUTURES							
	Clesse :	ا جامل:Righ	Prev.				
	Dry Gargo						
July Oct Jan. April July Oct. Jan. Ap., BFI.	565.65 647.48 676.82 740.60 585.700 755.605 770.830 400 566.5	084.585 849	564-565 641:643 675-676 728-736 685-690 755-780 770-800 900 670,5				

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,	1	Close	H	gh-Low	<u>'</u>	Prev	_	1
		. 7	ank	era	_			2
July	:	1020:30	, i	1030/1	0 !	980:3 1005	<u></u>	P
AUÇ Sep	.1	950:702 000/60	U,	970		76/1	025	ŀ
Dec Mar	ı	_	:	_	•	_		7
June Mar	٠	- =		. =	:		٠٠. ا	ŀ
BTI	,_	1090'0		_=_		1001	<u>.</u>	D
Tum	04	en 12 (10]				.	P

Equities steadier but index down 31.7 on week

Dealings tions Dealings Day
June 36 July 10 July 11 July 21
July 14 July 24 July 25 Aug 4
July 28 Aug 7 Aug 8 Aug 18
"New-time" Gealings may take
place from \$.30 am two business stays
earlier. earlier.

Equity markets ended the last session of the trading Account on an extremely subdued note. Investment confidence remained at a low ebb after a week in which equities had been edited the property down. uncertainties and growing fears about the signs of flagging growth in the world's economies. Leading shares eventually arrested the slide after drifting

ings.
Developments on the takeover

scene included news of an agreed hid for G. Ruddle from Grand Metropolitan. This enlivened demand in the late dealings for a number of other Government securities ended a relatively good week on a rather quite note. Long-dated 72.90 stocks, up around ½ for most of the day, tended to drift back to previous closing levels in the late dealings. Elsewhere, indexlinked stocks were featured in the after-hours by the amouncement of Government funding 501.0 via the issue of a further £400m tranche of 2½ per cent 2016 stock in £40-paid form. This prompted a reaction of around ½ in other index-linked which had initially shown gains of around Government securities ended initially shown gains of around

Lloyds drift lower

Lloyds got the clearing bank interim dividend season off to a very quiet start yesterday, revealing first-half profits of 190.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 153.5 155.0 15 £450m-£460m are expected, moved up 4 to 512p, while Barclays added 8 at 520p and Midland hardened a penny to 543p. Elsewhere, contrasting features emerged among foreign issues. Deutsche added 51 points at £246, but ANZ relinquished 11 at 185p. expected

Composites ended the Account on a quietly dull note. Further persistent offerings and lack of support left 62 18 down at at 822p. Sun Alliance declined 11 at 687. Elsewhere, Equity and Law and Legal and General lost 5 apiece to the common level of 245p. Allianz, meanwhile, jumped 37 points to £694 with sentiment here helped by news of the successful rights issue of the successful rights issue

Breweries provided an early feature in Rutland-based real ale concern G. Ruddie which leapt to 290p before settling 80 higher on balance at 285p fol-lowing the agreed offer from Grand Metropolitan, a penny to the good at 372p. Other leaders closed narrowly mixed although

result.

closed narrowly mixed although dealers reported a lively two-way business.

The Building sector remained firmly in the doldrums, sentiment not helped by vague rumours about the possible imposition of VAT on new houses. Barratt Developments disped to 128p prior to closing a couple of pence cheaper at 130p, while George Wimpey finished 2 off at 201p, after 199p. John Laing were particularly dull at 448p, down 10, while Trafalgar House lost 12 at 252p and Tarmac shed 14 to 438p. and Tarmac shed 14 to 438p. Among Cements, Blue Circle Among Cements, Blue Circle came on offer following reports of a broker's profits downgrading and settled a net 21 down at 572p, RMC gave up 10 to 642p and Bugby Portland Cement softened a couple of pence to 155p. Elsewhere, scrappy selling in an unwilling market left Taylor Woodrow 17 lower at 301p and Alfred McAlpine 8 off at 425p. Redland dipped 7 to at 426p. Redland dipped 7 to 424p and BPB Industries lost the 4249 and BPB industries lost the same amount at 500p. Berkeley Group shed 7 to 448p despite the chairman's confident annual statement, but Cement Rogdstone attracted buyers and firmed 3 to 115p. Speculative counter Raine Industries reacted afresh to 72p before revived denand left the close 3 dearer on balance at 770. demand left the close 3 dearer division but rallied to close only on balance at 77p.

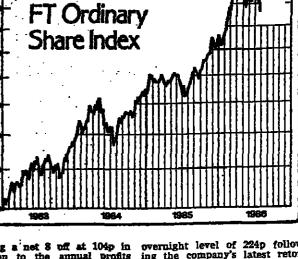
5 lower on balance at 543p.

Favourable comment on the Dowly lost the turn to 217p, half-year results combined with after 214p, despite the favour

currency influences to boost ICI able reception afforded the pre-tract attracted 502 calls and chemical sector. Yorkshire attracted special sectors afforded the pre-tract attracted 502 calls and chemical sector. Yorkshire attracted speculative support and gained 4 to 136p.

Preedy dull

Stores finished a depressing Account on a dull note. Once again, dealers marked quotaions lower in an attempt to find more to 855p. Eisewhere, Alfred included Abaco Investments, were taken out in Amstrad and Preedy slumped to 100p before Britoil, Prestwich, Hillsdown, Air Wigfalls.



at 143p.

reaction to the annual profits setback. Sellers also held sway in Goldsmitts, 10 hower at 192p, Ellis and Goldstein, 6 off at 22p, and Blacks Leisure, another penny cheaper at 71p.
Electricals regained some composure after Thursday's depression that stemmed from analysis

sion that stemmed from analysis downgrading profit estimates for Diploma. The latter softened a few pence more to a new low of 192p, but others rarely strayed from their overnight levels. Plessey, still reflecting fears that GEC would be thwarted in its attempt to bid for the company, softened a comple of pence more for a twocouple of pence more for a two-day decline of 16 at 202p; GBC rose 4 to 188p. Cable and Wire-less rallied 8 but still sustained less rained 8 but sun sustained a fail on the week of 43 at 645p.
Holmes Protection (formerly SCUSA), lost 7 to 128p on profittaking in the absence of the widely-rumoured bid.
Renold highlighted the Engin-

Renold highlighted the Engineering sector, jumping 9 to 76p on persistent speculative buying fuelled by talk of an imminent bid for the company. Elsewhere, Blackwood Hodge ruse a couple of penes to 42p following demand of a similar nature. Hallite reflected Press comment with an improvement of 5 at with an improvement of 5 at 195p. Delta, however, lost 10 at 2420. Builough gave up 13 to 285p on further consideration of the half-year figures. Among the leaders, GKN softened a few pence to 327p; the first-half results are due on August 6.

Particularly dull on Thursday reflecting persistent small selling and lack of support, Food issues made a steadler showing. ASDA-MFI, a dull market since the annual results, rallied a couple of pence to 136p, while J. Sainebury improved the same amount to 372p. Bejam edged up 3 to 170p helped by "new time" buying interest, but Kwik Save shed 6 to 260p. Elsewhere, Ranks Hovis McDougall revived strongly amid suggestions that S. and W. Berisford is preparing to sell its stake in the company and closed 6 higher at 209p. Undgate picked up 2 to reflecting persistent small sell-280p. Cheshire Wholefoods, still reflecting the chairman's optimistic statement, firmed 4 afresh to 252p, while Bensons Crisps continued to respond to the profits recovery and gained 6 more to 50p.

AGB Research fall AGE Research provided an

outstanding dull feature among miscellaneous industrials, plummeting 28 to 170p following the Board's profits warning which accompanied details of the company's joint venture with an affiliate of Schroders. The Times affiliate of Schroders. The Times Veneer touched a new peak of 62p in the early dealings before reacting to 57p after profit-taking following confirmation that a large shareholding in the company had changed hands before ending an eventful session a penny cheaper on balance at 58p. Pentland dropped to 395p before rallying after-hours, to at sop. Featuring after-hours' to finish 10 lower at 415p, while falls of 6 and 8 respectively were seen in Myson, 121p, and Powell Duffryn, 268p. Brengreen were unaltered at 47p following the anouncement that Hawley had anonnement that Hawley Rad forceased its stake in the com-pany to just under 19 per costs on Tuesday, Brengreen received an agreed cash offer of 45p per share from BET. Reuters, meanwhile, advanced 12 to 500p as investors showed a sudden interest ahead of Monday's annual results. The leaders ended a traumatic Account on a mixed note. Boots edged for-ward a further promy to close ward a nurther peoply to close the week with a gain of 14 at 257p; the shares have moved against the trend on speculative and traded option activity fuelled by rumours of a bid, possibly from Argyll Group. Leisuras were again friendless. Further compileration of the Further consideration of the Further consideration of the respective interim and full-year figures left Saga 10 lower for a two-day decline of 23 to 140p, and Viewplan 3 cheaper at 55p. End-Account offerings clipped 8 from Sangers Photographics at 75p. SelectV provided a rarc firm spot, however, rising 3 more to 27p amid persistent specialize interest. speculative interest.
Motor Components retained an irregular appearance. Lucas Industries dipped to 537p partly reflecting talk of possible industrial action at its electrical

overnight level of 224p following the company's latest retort to the unwelcome offer head returned to favour, how-ever, rising 4 to 61p on revived hopes of a bid from Carclo. Further consideration of the full-year figures lifted BTS 2 for Jagnar, 5080, and ERF, 85p, met fresh profit-taking and fell 9 and 3 respectively. Distributors usually displayed modest losses for choice. Lex Service shed a few pence to 300p in front of next Thursday's half-timer. Western Motor, still awalting news of the property revaluation, closed 13 off at 195p with the A shares finally 5 cheaner the A shares finally 5 cheaper

Leading Properties drifted lower still in the absence of buying interest before staging a minor rally after hours. Second-ary issues displayed a bright feature in potential shell situa-tion Parkdale which attracted fresh speculative demand and put on 14 to 84p for a gain on the week of 25. On the other the week of 25. On the other hand, end-Account profit-taking clipped 10 from recently-firm Marier Estates at 545p and 20 from Speyhawk at 393p. Abaco traded briskly and settled 3 cheaper at 68p with the new nil model charge 4 lower at 17p.

Textiles, the subject of considerable speculative demand recently, paused for breath and generally displayed modest recently, paused for breath and generally displayed modest losses. Afkins Bros again encountered occasional offerings and dipped 11 for a fall of 46 on the week to 252p. Hugh Mackay, 7 off at 93p, and Lister, 3 cheaper at 99p also lost ground. Burmatex, still surrounded by takeover chatter, toucher a new peak of 204p before settling 8 higher on balance at 1980; the interim results ance at 198p; the interim results are expected next Tuesday.

Berry Trust eased a few pence to 253p following the £86m bld from Ensign Trust, 2 off at 146p. Financials highlighted renewed demend for "shell" situation NMC Investments which the interim statement and proposed acquisition of Interpoly, a private polythene packaging

Britoil sharply lower

The widespread retreat by the oil sector which started late on Thursday afternoon gathered momentum yesterday following much worse than-expected interim results from Britoil. The latter's interim profits were some £6m below analysts forecasts but more damaging was the halved interim dividend. Quoted at 130p immediately prior to the figures Britoil shares were immediately marked down to 115p and fell further during the after-hours trade to close a net 26 lower at a record low of 110p. Apart from Shell, which managed a 4 rise to 790p following the well-received results from US subsidiary Shell Oil, other leading oils also came under persistent selling pressure. BP, disturbed selling pressure. BP, disturbed hy the second quarter loss announced by US subsidiary Standard Oil, dropped 10 more to 563p while Enterprise gave up 6 to equal the year's low of 95p and LASMO settled 5 down at 95p. Tricentrol were a like amount off at 45p. A firm performance by the bullion price and an initial improvement in the Financial Rand helped South African golds close the week on a steady note. The Gold Mines index edged up 0.9 to 196.7, extending the gain on the week to one

of 11.0. South African Financials were no better than mixed but Platinums attracted good demand amid fears of possible disruptions to South African supplies and Impala advanced 20 to 570p. Rustenburg, boosted by the good preliminary profits and sharply increased dividend, rose 15 to 570p.

The latest retreat by Sydney and Melbourne markets and a further decline by the Australian dollar propured. lian dollar prompted renewed weakness in Australians.

Traded Options

Demand for Traded Options remained at a relatively low ebb. Total contracts struck amounted to 13,747. Once again, operators centred their attentions on British Telecom and Hanson Trust which contributed 2.061 and 1.326 calls respec-tively. The FT-SE 100 index con-

TRADITIONAL OPTIONS

Last Last For Call. Amher Day Wellcome. Deal- Declara-Settle Barrow Hepburn, Johnson and Dealings tion ment Firth Brown, Intervision, Park-July 21 Aug 1 Oct 23 New 3 daie, Ragian Property Trust, Thomas Marshall (Loxley).

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hours, losses remained in the
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Official closing (am): Cash 249 5-50 (250-0.5); three months 258-5-5 (255-5.5); sertiament 250 (250.5). Final Kerb Closet 257-7.5. Turnover: 8,375 tonnes. US Spot: 21-24 cents per pound. Unofficial + or close(p.m.) -E per tonne Highilow SILVER Cash 282.3 +2 3 months 258-8.5 +2 250 258/253

NICKEL!

Official closing (fam): Lath 252.5 (7637-40): these months 2636-7 (2630-1); settlement 2,635 (2,640). Final Kerb Close. 2582-90. Turnover 838 tonnes Kuela Lentpur Tim Market: Close 14 27 (16.25). ringgst per kg. Up 0.62

Unofficial - or i close/p.m.i - High/few E per tonne Cash 2658-80 | +7,5 | 2989/2652 3 months 2695-799 +3,6 | 2785/2665

203p 175p 103p 118p 80p 422p Kilo 428p kilo 395p kilo † Unquoted. (g) Madagascar. (w) Oct. (y) July-Aug. (z) Aug-Sept. (z) Aug.

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ZINC **ALUMINIUM** Official closing (am): Cash 758-6.5 (752-2.5): three months 766-6.5 (761-1.5): sertlement 756.5 (752.5). Fast Kerb Close: 776-6. Turnover: 18.300 Official closing (sm): Cash 555-6 (546-7): three months 549.5-50 (544.5-5) 53: settlement 536 (547) Final Kerb Close: 542 5-3. Turnover: 9.500 tonnes. US Prime V/estern: 41.50-44.75 cents

Unofficial + or close p.m.) —
£ per tonne High: low sh 762,5-3,5 +5,5 758,6/756 nonthe 772,5-3 +7,25 776/752 554.5 +8 558/656 549,5-50 + 5.25 761,5:528,5

GOLD

Official closing (am): Csah 397.5-8 (895-5.5): three months 913-5.5 (914-5): settlement 636 (895.5). Final Kerb Close: 916-7. Gold rose \$1 an ounce from Thursday's close in the London bullion market yesterday to finish at \$3494-\$330. The metal opened at \$3481-53481, which proved to be the day's low and touched a high of \$3481-\$301. Trading was rather dul! and unevential sheed

GOLD BULLION (fine ounce) July 25 Close,..... \$3491, 150 Opening ... \$3484, 1465; M'a' g fix, \$349,00 Aft'n 'nfix \$349,40 (£235-2351₂) (£234-2341₂) (£234,307) (£234,970) GOLD AND PLATINISM COME Kr'g'r'nd . \$3471s-3491s (#3341s-3351s)
1s Krug. \$182ts-1635s (#123-1251s)
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Solver was fixed 1.35p an ounce higher for spot delivery in the London bullion market yesterday at 336.35p. US cant equivalents of the fixing levels were: Spot 50°C, up 0.3c; three-month 536.5c, up 0.5c; six-month 516.5c, up 0.75c; and 12-month 536.3 up 1c Tab moral Opened at 336-337°ap (500-502c) and closed at 337°a-338p (502-504c).

SILVER Bullion + or LM.E. + or per fixing - p.m. - troy oz Price Unoffic'i.

July 1410-1414 - 8.5 1415-1407
Sept. 1433-1454 + 1.0 1446-1427
Dec 1471-1472 - 2.0 1418-1427
March 1498-1500 - 3.5 13[4-1498
May 1509-1510 - 5.0 1227-7512
July 1521-1522 - 2.5 1355-132
Sept. 1836-1840 - 2.5 1354-1328 Sales: 3.763 (2.698) lats at 10 1CCO indicator prices (US same per pound). Daily price for July 25: --- (34 56): Riveday everage for July 29:

Sales: 284 (50) lots of 20 tonnes

SOYABEAN MEAL

RUBBER

COCOA

PHYSICALS—The Loader market opened slightly steader with title to no interest throughout the day and closed idle, reports laws and Peat. Closing prices tourers' 5port 60.57 g (same): Aug 59.000 (same). Sept 59.000 (same). The Rusis Lumber 159.000 (same) and prices (Salassetter Laste Lumber 155.000). price (Malaysian cents per 49): PSS No 1 222.6 (223.6) and SMR 201194.9

LONDON GRAINS—Wheat: US dark northern apring No 1 15 per cent Aury \$6.50. Sept 94.50. Oct 37.30 seliero, transhipment east coast. US No 2 actived winter Aug 90.00, Sept 91.25, Oct 193.75 sellers. Et second half Jury 117.50. English feed tob Sept 103.25/104.00. Oct 105.25/106.00. Get/Dec 107.50/108.50. Jan/Mar 112.00/113.00. April/June 115.50/116.73. Mastra: US No 3 yellow/French trenst-prent east coast July 135.00. Barley: English feed tob Aug 192.00/103.00. Sept 103.35/ 103.75/ 103.75. Oct 106.00 bayer. Get/Dec 108.00/109.00. Jan/Mar 112.50/113.50. Reat unquated.

HGCA—Harrawith today's locational ex-ferm apoit proces: Feed Wheat: Eastern 100.00. E. Midg 112.00. Feed Barley: Eastern 97.50; N. East 29.10. The UK monettery toefficiant for the week beginning Monday August 4 (based on HGCA calculations using three days exchange rates) is expected to change to 1.441. Business done—Wheat: Sept 101.50. 125, Nov 104.25-3.75; Jan 177.20-8.85, Mer 109.90-9.50, May 112.15-12.00. Seles: 151 lets of 100 toness. Business Sept 101.65-1 00, Nov 104.45-3.0, Jan 107.35-6.95. Mer 109.90-9.40, May 110.70-10.50. Sales: 101 lots of 100 toness. £ ser tonne New 116,00 118,90 Sales: 1.655 (1.612) lots of 40 tonness. Y'sterdiys + or Business Done Earthes-July 93 00 +\$.00- Aug 97 50 +3 00; Sept 140.00 u/c. Seles: 16 lots August 22,0-128,2 — 0,12 — 0,12 — 0,12 — 0,12 — 0,12 — 0,12 — 0,12 — 0,12 — 0,12 — 1,12 — 1,12 — 1,12 — 1,12 — 1,12 — 1,12 — 1,12 — 0,12 — 1,12 — 0,12 — 1,12 — 0,12 — 1,12 — 0,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,12 — 0,13 — 1,12 — 1,1 OIL

Traze in 15-day Brent was very thin with most players reportedly westing on the outcome of neut week's Opec meeting. Nymex WTI Opened 2s down

for September but traded &c up for

for September but traded on up to October: the mast liquid month classing 190 down at 130 pm EDT. In the cettilism products market naphthe was quiet and gas o'll trade was very took at both contras. Petroleum CATHODES

(193 0) FUTURES—Index 307. Aug 832.395. (864-5), three months 888-90 (889-90); Sept 590-993. Oct/Dec 528-992 Jan/ settlement 863 (665). US Producer March 985-601. April/Luns 816-814. July/Sept 812-816. Salest mil.

مكذا من الأصل

Details of business'shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share information services. Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and sattled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices. For those not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices. For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the three previous days is given with the relevant date.

Greater London 63pc 1990-92 £89 4 4₂ -

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BREWERIES

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Tabelial Browing and Leisure 61; pc.Ln 2007-10 [19]

Table 130 £901. Brecandby 1889-94 £97 [227]

The 140-190-95 £1017. [227]

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Vote Gr 41 pc.8pf (C) COMMERCIAL, INDUSTRIAL

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Bromer 10pcta 1995 592
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C—D

CH industrials 7acP! (£1) 145; 7 (22,7)
Caldbury Schwerpes 3::pcP! (£1) 44 (18.7).
81:pcDb 1994-2004 £87. 9acDb 19881993 £96 (23.7)
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Carclo Sng Gro 5.95P! £1) 60 (22.7).
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Pressac Hidgs 10.5pc Pi £1) 106 (18.77)
Centreway Ind 11acP! £1) 85

Caterpillar Shr of Com Stk S1 £30: 122.71 (Cells Haven 150) 53 Central, Shoerwood 10;cP(£1) 30: (18-7) Centreway Ind 10;cP(£1) 75 Centreway Ind 10;cP(£1) 75 Chamberlan Philoss SocP(£1) 52 (21/7) Channel Tunnel Invest '59) 70 Scharringtons Ind Hidgs 10;hpcln 1993-98 £99!; (18:7) Charter Consolidated (20) 248 (21/7) Charter Consolidated (20) 248 (21/7) Christy Hunt SocP(£1) 24 (18:7) Christy Hunt SocP(£1) 202-07 £59's. 7'spcln 1990-95 £86!s. ']; Coats Virella 4,9scP(£1) 62 (22.7) Combined English Stores Gro 7'spcP(£1) 50: S (22:7) Cookson Gro 7'spcP(£1) 60 Cope Allman Intuil 7:spcln 1971-90 £974 (19/7) Socrot Pulp. Pager 4*spcP(£1) 41: Centreway Tst 11pcPf (£1) 75
Chamberlain Philoss 5pcPf (£1) 52 (2177)
Chamberlain Philoss 5pcPf (£1) 52 (2177)
Chamberlain Philoss 5pcPf (£1) 52 (2177)
Charlingtons Ind Hidgs 103ppt.n 1993-98
£991; (1877)
Charlingtons Ind Hidgs 103ppt.n 1993-98
£991; (1877)
Chieride Grp TrapDb 1985-90 (£88 (2277)
Coats Patons 4':pctn 2002-07 £50 (247)
Coats Patons 4':pctn 1002-07 £50 (247)
Cookson Grp TrapDf (£1) 62 (227)
Cookson Grp TrapDf (£1) 62 (227)
Cookson Grp TrapDf (£1) 62 (227)
Cookson Grp TrapDf (£1) 451; (1871, 6pcpf (£1) 41; (2371, 6pcpf (£1) 55, 7); (2471, 6pcpf (£1) 451; (1871, 6pcpf (£1) 41; (2371, 6pcpf (£1) 55, 7); (2471, 6pcpf (£1) 451; (1871, 6pcpf (£1) 451; (1871, 6pcpf (£1) 451; (1871, 6pcpf (£1) 40, 1271, 6pcpf (£1) 54, 1271, 6pcpf (£1) 55, 7); (2471, 6pcpf (£1) 40, 1271, 6pcpf (£1) 40, 1271, 6pcpf (£1) 54, 1271, 6pcpf (£1) 54, 1271, 6pcpf (£1) 54, 1271, 6pcpf (£1) 55, 1271, 6p

5. Tappin Grentril 2 377 33. New (£1)
Morgan Grentril 2 377 34. New (£1)
Morgan Grentril 2 377 33. New (£1)
Morgan Eretril 2 377 34. New (£1)
Morgan Morgan Eretril 2 377 34. New (£1)
Morgan Grentril 2 377 34. New (£1)
Morgan Morgan Eretril 2 377 34. New (£1)
Morgan Eretril 2 ERF (Hidgs) 100cPf (£1) 97 (25)73 Eastern Produce (Hidgs) 101:pct.n 1992-97 £76 Ellis and Everard 74pcDb 1987-92 £86 (23)73 Elswick-Popper 8pcPf 1992-94 (£1) 195 (18.7) (23/7)

English Electric Elizardb 1984-89 EP91;

'23 71, 7rcDb 1986-91 E871; (22 7)

Ersking House Gra (14/8/86) 137,

124/7-86 8 9 10 122:7*

Evera Migas 3 850cPi E11 48

Etralibus Jawillery (50) 101; 11;

11.5mcPf (£1) 86 122/7)

G—H

GEI International 100ctn 1987-92 £90
General Electric 74octn 1987-92 £89
90. 74octn 1988-93 £904
Gesteiner Hidgs 140 1 118.7). 100ctn
1990-95 £103
Glass Giover Gra 64-9cPf 2000 (£1) 99
Glavo Gro 64-9ctn 1985-95 (500) 394
401: 74-9ctn 1985-95 (500) 421;
Gloriwed Int 74-9cPf (£1) 68 (2117).
77-9cD 1989-94 £92 (21.77). 104-9ctn
1994-99 £101 (21/7)
Goodwin (100) 37 (23.77)
Grand Metropolitan 5e-Pf (£1) 43 (22.77).
£1-9cPf (£1) 55 (23.77). 10pttn 1991-96
£1-02 (23.77). £102 (23/7) reat Universal Stores 5-kmcLn £47 (23/7). 6-wcLn £53/5 (21,7). 8-wcLn 1993-98 £86 8 . £86 5 -Guest, keen, Netterolds 101-pcDh 1990-95 £1014 24, 1040cDb 1992-97 £101 121-77 Gu'hne Cara 152 3 4 5. New Ord 153 Halliburton (52.50) £11% Hargreaves Grp 10!:pcDb 1992-97 £100!; Harrisons Inds (100) 154 1, 5 6 7 8 9 Harrisons, Crosheld 6:pcPf (51) 55 8 (22/7) Namicani. Crasheld 6::pcPf (51) 55 8
(227)
Habiro (40.50) 5373
Hawler Siddeley Grp SippePf (£1) 48.
Thorbis 1987-92 £88;
Herles Bupch f66 (25);
Hickan Int 8:-pctn 1989-94 £84 (237)
Hickan Int 8:-pctn 1989-94 £84 (237)
Horchst (7M 50) E79
Home Countles Newspapers Hidgs 220
5 34 60; 73-pctn 1995-2000 £791
(187)
House of Fraser Goctn 1993-98 £68
(187), Bluctn 1993-98 £80
Howard, Wyndham (58) B
Hunterprint Grp 6:-pcPf (51) 11D (23.7)
Hunting Assoc Inds 91-pctn 2003-08
£135 (227)

IMI Stipeth 2001-06 £55%; %% 7/acth 1986-91 £88% 9. 7/apth 1988-93 £86% (23,7) Illingworth Morris (Saltaire) 7ecPf (500) 29 £23 7/ illingworth Morris (Saltaire) 7ecPf (500) £65% 6. 7/apth 1986-91 £92 ½ % 3 % 5 % 10 /arth 1991-96 £105% % 10 /arth 1991-96 £105% % 10 /arth 1991-96 £105% % 10 /arth 1990-95 £102% 3 ½ % 8pth 1985-90 95 £102% 3 ½ % 8pth 1985-90 £93 % (23)77 International But Math (51,25) £904-09 reational Bus Mach (\$1.25) (9040) Leisure Gro 7/apc9(£1) 109 10 1 Signal, Control New Ord (90.10) 230 184 Johnson, Matthey SpcPf (£1) 42 (22.7), RorPf (£1) 310, 81acDb 1985-95 £86 (23.7) Junes Stroud (Hides) 10pcPf (£1) 120: 421-7]
Juliana's Hidgs 71;ect.n 2000-02 £591;
Per (23/7) Par (23)(7)

Kalamazoo Bi-oclin 1987 £87 (22)(7)

Kalamazoo Bi-oclin 1987 £87 (22)(7)

Kalamazoo Bi-oclin 1987 £87 (22)(7)

Kalamazoo Bi-oclin 1989 £87 (22)(7)

Kenning Motor Gro 51-oclin 19 12 (22)(7)

Kenning Motor Gro 51-oclin 19 12 (23)(7)

Kingsley, Forester Gro 3.85oc (£1) 40

(23)(7)

Ladbroke Grp 237 (21 7)
Lang (John) A 455
Lamont Hidgs 600Pf (500) 27 (22/7)
Lang (Li) 106 (22/7)
Langte Inds (Hidgs) 101mcDb 1994-99
E1021- (22/7)
Levis (Johns Partnorship 500Pf (E1) 42
(22/7) 71spcPf (E1) 67 (23/7)
Levis (Johns Partnorship 500Pf (E1) 42
(22/7) 71spcPf (E1) 67 (23/7)
Levis Service 2nd 50r Wts 165 (18/7),
61pcPf (E1) (E1) 87 (18/7), 81spcLn
1992-97 E891: 118/7)
Hiccare Internat 6.25pcPf (E1) 68
Llayd (F.H.) Hidgs 71scLn 1981-91 E8412
(72/7) 172:71 Ockhood Corp (171 S48% (1817) Ondon Midland Industrials SocPf (C1) 42 London Middard Industrials SDCFF (3.1) 42 (23.71) London Northern S.AcCPF (5.1) 69 (22.77) London Provincial Posicr 51-pcta 1986-91 (59) (21.77) London Park Hotels 41-pcPf (5.1) 59 (23.77) London Park Hotels 41-pcPf (5.1) 59 (23.77) London 71-pcDb 1986-91 634. 9cCbb 1087-92 596 Locas Industries 71-pcta 1983-88 596 (23.77) Lyles (5.) 11-pcPf (5.1) 107-jc (21.77)

Barr & Wallace Arnold Tst 160 (23/7)
Barrion Grp Spert (£1) 54 (16/7)
Bealer (J.) Sirpclan 199-94 £155 (23/7)
Bealtie (J.) Sirpclan 1998-94 £155 (23/7)
Beattie (J.) Sirpclan 1989-94 £155 (23/7)
Beattie (J.) Sirpclan 1980-94 £155 (23/7)
Beattie (J.) Sirpclan 1980-95 £851 (22/7)
Beattie (J.) Sirpclan 1980-95 £851 (23/7)
Beattie (J.) Sirpclan 1980-95 £851 (23/7)
Beattie (J.) Sirpclan 1980-93 £851 (23/7)
Beattie (J.) Sirpclan 1980-95 £851 (23/7)
Blackwood Hodge Geoff (£1) 51 (21/7)
Blackwood Hodge Spert (£1) 51 (21/7)
B

N-0-P NCR (15) £331; (22/7)
NCR 81:octn 1993-98 £834;
NSS Newsagents 10pctn 1990-2000 £254
Newsagents 10pctn 1990-88 £85 ½ [23/7]
News Internal Experises (10,05) £154
NSS Newsagents 10pctn 1990-2000 £257
Normans 8-bottn 1990-20 £98
Normans 8-bo

Owen Robiason A (£1) £34 5 (21/7)

Pail Corp (30.251 £26

Parker Knoil 400. 9pc0b 1989-94 £89

Parker Knoil 400. 9pc0b 1989-95 £89

Parker Knoil 400. 9pc0b 130 2

Parker Knoil 400. 130 2

Parker Knoil 400. 9pc0b 130 2

Parker Knoil 400. 1997-2002 £105 (23/7)

Parker Knoil 1988-93 £74 (18/7). 64pcto 1988-93

£78 118/7. 84pcto 1988-93 £84 (21/7).

101pcto 1988-93 £74 (18/7). 64pcto 1980-95 £83/40.

101pcto 1988-93 £74 (18/7). 64pcto 1980-95 £83/40.

101pcto 1988-93 £74 (18/7). 101pcto 101pcto 1980-95 £83/40.

101pcto 1980-95 £84 (21/7). 101pcto 1993-200 (23/7). 101pcto 1993-200 (23/

Outcoms Most Houses 104pcDb 2020 538 1 101pcLn 1989-91 5312 6 Quick (H. J.) 10pcPt (£1) 103 (1877)

Received Foods 101:scDb 1992-97 £105 (217)
Robertson (Thomas) Gp 70cPf (£1) 750 Rockware Gp 7.7pcPf (£1) 75 (187).
Socian 1995-99 £78; (2213)
Roper 11:ps-7 (£1) 134:9
Robert 99:pcPf (£1) 134:9
Robert 99:pcPf (£1) 134:9
Robert 15:15 4 1871, 7ocPf (£1) 62 (227)
Punha Portinal Cement Epc1 1993-98 £79; 3 (237), 73pcR 1993-98 £79

(1)71 ddard (Hidgs) 10pcPf (E)) 240 (2)77 rehouse 9n-La 1992 E190 thert & Pitt SpcPf (5)) 41 (18)77 er Dfd (5p) 230 (2)(7)

T-U-V Group 5.8px.in 1989-94 £720. 7.7pc 1 1989-94 £34 mac 51:pcPf (£11 67 (22/7). 8)apc.in Ln 1909-94 E84 1989-94 E84 1989-94 E84 1989-94 E86 1960-07 (21) 60 (23/7), 74-pc Db 1989-94 E86's (23/7), 54-pcln 1985-90 E85, 71-pcln 2003-08 E78, 101-pcln 2003-08 E102 (18/7), 13-pcln 1964-99 E182 (21/7) 1940-7 Woodrow 74-pcln 1967-90 E881; for Woodrow 740cLin 1937 (150 (22/7))
culsion South 10scLin 1997 (150 (22/7))
thy Industries (500 New 125 7 8 11c)
a Gp 9scPr 1997-2000 (51) 1002 32
co 4ccLin 2005 5471, 38 1, 58 34
Holdings (10p) 1,54
Holdings (10p) 1,54
Holdings (10p) 1,54

Tiolde Group 11:pcln 1991-96 £103
(217)
Titaghar Jute SpcPf (£1) 22 (217)
Tomkins (F H.) 5.6pcPf (£1) 122. 91pc
Ln 1994 £235 7 (25/7)
Tootal Group 5pcPf (£1) 43 5 (23/7).
Tioch 1989-93 £30
Towkes (1991-98) £30
Tious (1991-98) £30
Tious 200cPf 39 (187)
Tious (1991-98) £30
Tious 5pcPf (£1) 51 (18/7)
Tious 5pcPf (£1) 591-96 £1044; 9.1pc
Ln 1995-2000 £31; 123/7)
Tuner Newall 8ncDh 1987-92 £87 (22/7).
UBM Group 710cDb 1986-91 £80-91; 51

10.1ec0b 1990-95 £95 (227)

UBM Group 71oc0b 1986-91 £901:: %

Unique 51:ec0b 1983-88 £891: (227).

61:ecl.n 1991-96 £791: (2377)

Uniterer 51:ecl.n 1991-2006 £611: (227).

71:ecl.n 1991-2006 £814: 1: 3, 2 4: 3

Union 1849 New (200) 66 (237)

Union 18411 6ecPf £11 501: 1. 7pcPf

(£11 59

Utd Biscuits (Hidgs) Wts 94 £ 8. 5pc

Db 1993-98 £884: 19 (227). 51:epcLn

203-95 £56 (2377)

Utd Gas Inda 9pcLn 1983-86 £97

Vantona Visalia £ £5ecPf £11 60. 5.5pc Vantona Vivella 4.55pcPf (£1) 60. 5.5pc Pf (£1) 74. 4 2ccDb 1984-89 £80. 7pcDb 1984-89 £86. 8.1pcla 1997-2002 £75

W-Y-Z WSL Hidgs (5p) 181 2 3 4; 4 1;; 5 6 Wade Potteries 10pcPf (£1) 103 Walker Staff Hidos (50) 67 (23/7) Walker (Thomas) (5p) 27 Ward White Group 3.5pcPf (£1) 56%: 7: 7 Warner Holidays Glacer (£1) 50 (22/7) Waterford Glass Group 11 yecln 1976-95 Warner Holidays 61,000P (£1) 50 (2217)
Waterford Glass Group 11\quad 1976-95
£70
Waverley Cameron 123 (21.7). 6pcPl
(£1) 58 (21.7)
Welkome 178 9 89 1 2 3
Wellman 100cPl (£1) 201 (23.7)
West Bromwich Sering (10p) 35!; 6 7
(23.7). 11.5pcPl (£1) 78 (23.7)
Western Motor Hidds A 150
Western Motor Hidds A 150
Western With 17 (21/7). 7\quad 7\quad \text{pcPl} (£1)
104 (23.7). 800 1987-92 (590 12
Westwood Dawes 8 (121\text{pc}) 54 1; 5 1; 7
Whitscroft 4.1pcPl (£1) 50 (23.7)
Whittingham (Wm) (Hidgs) 8pcLa 199297 £80 Whittingham (Wm) (Hidgs) Spcla 1992-97 E80 Wigsals 7pcPf (£1) 127 (23/7) Wigsals 7pcpe (LK) 64pc2hdDb 1981-86 £99 £22.7) Wight Collins Rutherford Scott 145 70 5 80 90 205

5 80 90 205
Williams Hidgs 101-pcPf (£1) 125 (21/7).
SpcPf (£1) 267. 514pcPf (£1) 106: 42:
17 14.

Windsmoor New (5p) 108 9 11 2 Wolseky 10000b 1990-95 £96 (23/7) Woolcombers (Hidgs) 6pc2ndPf (£1) 52 Noolcombers (Mauss, Opening 1987-89 (22.7) Woolworth Hidgs 14pcLn 1987-89 6.1041: 63-64ths: St. 8!:pcLn 2000 £140 1 3 Wormalds Walker Atkinson 9pcLn 1986-91 £72 (21 7) York Trailer Hidgs 10pcPf (1) 1325 Yorkshire Chems 121pcLn 1987-92 \$165 7 (27)

Daily Mail Gen (1907) \$14. 3pc7 (1907) \$21.4 \$P\$ 2518 NPV \$1. 2prente (2007) \$1. 2prente

National Home Loans up to 3.0. Wis sub 583 Pacific Inv Tst 108 9 :0 3.0. Wis sub Ord 20: 1 to 21. Panbas Concorde Tst 9.364mCDb 1991 Panbas Concorde Tst 9.56480B 1991

VALE VI ON 1802

Rothschild (J.) Hidgs Wts sub Ord 521

Rothschild (J.) Hidgs Wts sub Ord 521

Smith New Court Wts sub Ord 486. 1290

Smith New Court Wts sub Ord 486. 1290

Cambridge Water 4900D £30 (22,7)

Cambridge Water 4900D £30 (22,7)

INDURANCE

Commercia: Union SocPt 1989-2009 (£1)
49 (18/7)
49 (18/7)
Ecclesiast al Ins Office 10pc2ndFT (£1)
125 (22/7)
General Act Fire Life Assc Cpn 71pcLn
1987-92 £85 (23/7). 74pcLn 1992-97
£891; (23/7)
Guardian Port

INVESTMENT TRUSTS

INVESTMENT TRUSTS

Adias 50c9f 530 (22/7)
Alhance 50c9f 542 (22/7)
Almerican 50c9f 542 (22/7)
American 50c9f 5402 (22/7)
Asset Tst Wis sub Ord 44 (18/7)
Asset Tst Wis sub Ord 46 (18/7)
Ballille Gifford Japan Tst Wts sub Ord 296 7
Ballille Gifford Japan Tst Wts sub Ord 40 12 3 (22/7)
Bankes 25.57 61 (23/7)
Bankes 52.57 61 (23/7)
Bartsans (Ex Rts) 46 (23/7). New Ord 43 5 (23/7)
Bartsans (Ex Rts) 46 (23/7). New Ord 43 5 (23/7)
British Asset Tst A SpcPf 540
British Empire Sec Gen Tst 10 bpcDb 2011
E961: 71:
CSC 2056
Capital Gearing Tst 92 (18/7)
Danae Wts sub 1 Inc. 1 Cob 29 (23/7)
Danae Wts sub 1 Inc. 1 Cob 29 (23/7)
Danae Wts sub 1 Inc. 1 Cob 29 (23/7)
Danae Wts sub 1 Inc. 1 Cob 29 (23/7)
Enfold American Assets Tst 41-pcPf 5381By-Con-Subla 1973-98 151) B10 (21/7)
By-Con-Subla 1973-98 151) B10 (21/7)
Edinburgh Impert Tst Wts sub Ord 91 (23/7)
Edinburgh Impert Tst StocPf (51) 48
English Impert Tst StocPf (51) 48
English Scor Investors B 87 (21/7). 61:pc
Db 1965-89 £89
English No: Investors B 87 (21/7). 61:pc
Db 1965-89 £89
English No: Investors B 87 (21/7). 61:pc
D 1965-89 £89
English No: Investors B 87 (21/7). 61:pc
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English No: Investors B 87 (21/7). 61:pc
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English No: Investors B 87 (21/7). 61:pc
D 1965-89 £89
English Scor Investors B 87 (21/7). 61:pc
D 1965-89 £89
English Scor Investors B 87 (21/7). 61:pc
D 1965-89 £89
English Danae Complex Est (23/7)
English Tst SocOb (1955 or after) £40
English English Est Callance Ester EstacConvLn 1996 £187 Ensign TSt SPEUD (1997) (2227) F. & C. Alliance Spept ESO (237) F. & C. Evotrust Supremula 1996 £187 F. & C. Evotrust Supremula 1996 £187 F. & C. Evotrost Superchain 1990 2-107
9 (1877)
1 (1876)
F. & C. Pacific Wis sub Ord 65
Fledeling Jepan Wis sub Sh 14
Fleming Mercantile 3.5pcPf (21) 471;
(227)
Forelan Coi 7 (2000) 1989-94 1844; (187)
German Sen. (11) 950
German Sen. (11)

(18.7)
Greenfrier With Sub Ord 220 1
Group Investors Option Cts sub Ord 172
Group Investors Option Cts sub Ord 172
Group Investors Option Cts sub Ord 172
S139: (277)
Investors General StypePi (51) 50 (227)
Investors General StypePi (51) 50 (227)
Law Doberture Con 3.85pcFi (51) 48
Gritoil Grid Mins.

Britoil Grid Mins.

Britoil Grid Mins. | Punish Portiand Cement Spots 1993-98 | E77 | Punish Portiand Cement Spots 1993-98 | E77 | S (23/7). 7/apclin 1993-98 | E77 | S (23/7). 7/apclin 1993-98 | E77 | S E U Storr: Wit 16 (22/7) | S E U S

St Davir's inv Tst New 115 (23/7). New
Cap 75:
Cap 75:
Scottish live Tst 4.55pcApr 555 (18/7)
Scottish live Tst 4.55pcApr 555 (18/7)
Scottish Mortgage Tst 54pcPf £46 (18/7).
6-12pcDb 2026 £56 1
Scottish National Tst 10pcDb 2011 £98
Scottish National Tst 10pcDb 2011 £98
Secs Tst Scotdand 41pcPf £38: (18/7)
Secs Tst Scotdand 41pcPf £38: (18/7)
Shires Inv wrist to sub 29. 11pcLn 2008O4 £112 3 (23/7)
TR City London Tst (51) 160
TR Industrial Gen Tst 54pcDb 92-97
E67 8 170 F87 (51) 394 (21/7)
Throgmorton Tst 123psCDb 2010 £1144
(123/7) MINES-MISCELLANEOUS

Angio American inv Tat R0.501 £421:0
Angio American inv Tat R0.501 £421:0
Angio United Develor Corp nov 28
Angio United Develor Corp nov 28
Bisichi in 1001 191; 201; (2117) *
Botoward Pu21 5 123/71
Botoward Pu21 5 123/71
Botoward Pu21 5 201/71
Botoward Pu21 5 201/71
Botoward Pu21 5 74
Bupicin 88-93 590/4 114
De Berrs Corp Mines (R0.05) 403. 8pc
2ndPf (R1) 10
Minerals Resources Corp (DS1.40) 475 80
95 Minerals Resolved Services 95 95 North Kaiguril Mines 19: Northchart Inv (R0.10) 11 3 (2117) Rio Tinto-Zinc 553 5. Accum 538 40. 3.325pcAPf (£1) 42 (22/7). 6\apple 65 121/7\ 90 £88 121/7\ \text{willoughby's Cons (500) 700} MINES—SOUTH AFRICAN

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 45 (22/7)

DAB inv (R0.01) 160 (21.7)

Free State Cons Gold Mines (R0.50) 57
(23/7)

General Mining Union Corp 12.5pc0b
(R27) 25 (23/7)

Joel IH. Junked Units 180
(23/7)

Orange Free State Inv (R0.01) 511 (23/7)

Orange Free State Inv (R0.01) 511 (23/7)

Trans-Natal Coal Corp (R0.50) 100 (22/7)

OIL

Bristol Oil Minerals 100c2ndPf 18 (1877)
BP 9pc2ndPf 1611 83 (217)
BUTRAN Oil 50c2ndPf 1611 55 (227),
TupCPf 1611 641- BocPf 1611 71 (25/7)
CLF VINT Carp 1635 £243 (22/7)
CLF VINT (21pcla 1991 £1100
Exam Corp now £4040
Great Western Resources npv 600
Mobil Corp 1521 £197 (21/7)
New Court Natural Resources wrts to sub 1 (1877)
Shell 51pc1stPf (£1) 50 (21/7). 7oc2nd
pf (£1) 65 remained Corp 41pclm 8199 £60 (23/7)
Total-Companie Francaise Des B (FFr
50) FFF 568 \$6912 (22/7)

PD ODEDTY

PROPERTY Alinatt London Prop 712pc1stDb 90-95 £84 (23(7) (23(7) Argyle Secs 12pcDb 93-98 £105 Arlington Secs 10pl 170 2 3 5 7 Anda Prop 105₁₆pc1stDb 2011 £974 Ania Prop 105kpcistDb 2011 £97/2
(22:7)
Bradford Prop Tst 104scPf (£1) 122
(217). 7scLn 1392-97 £750
Bredero Props 150 1 2 4. New 152
British Land 15pcistDb 1987 £107/4
(22:7) 104-scDrdistDb 2019-24 £102/4
(22:77)
British Est fine1stDb 1983-08 £88/4 12277 British 2019-20 E1024
British Est 66c1st0b 1983-86 £804
(2171, 9 500c1st0b 2026 £25 pd)
(2172, 12177)
Carital Counties 4.2ocPf £11 422 £2277.
6 upc1st0b 1994-99 £78 £2277. 9 upc
Ln 1991-96 £98 fy
City Site £states 10pcRedPf £20p1 125
(1877)
Clavform Props Warrants 60 Clavform Props Warrants 60 Estates General Invests 4.9pcPf (90p) 30 (1877) 2002 £75 Vickers SocPf (£1) 41 (22.7). SpcPf Five Oals Invests 7pc2ndPl (£1) 53 (22.7) (£1) 85 6 Great Portland Estates 9.5pc1stDb 2016 Great Portland Estates 9.5pc1stDb 2016 (225od) 5193 3 (227) Green Promyty 1:00.25 93 (217) Green Green 12.05pc1n 1990-92 51100 Hamerson Proo Inv Det 435 42 Hamstomere Estates 104spc1stDb 2016

Hammerson Petates 10 mocristibe 2016
Hastemere Estates Stocky (Et) 490;
Kennings Estates Stocky (Et) 490;
Land Securities Spristibe 1988-83 E824,
3. 74 pct stibe 1991-96 E85. (2017).
90c1stibe 1996-2001 E95. 100c1stibe 2025 E1011; C2277). New 100c1stibe 2025 E65 80 E165. 6 mocin 1992-97 E95 (1877). 8 mocin 1992-97 E914 24 1: Law Land 71;5C13Db 1986-91 £93 (23.7) Law Land 71;5C13Db 1986-91 £93 (23.7) Lawis (John) Props 1990-96 £98 (22.7) London County Free. Less. Prop 31cC131 Db 11958-591 £87 (21.77), 64:sC131Db 1986-95 £76 1986-95 £76 London Shop Procenty Trust 8 Locin 1987-1997 £84 (2177). Spein 1994-99 £1645 1997 £84 (21/7). 99cLn 1994-99 £164';
6
NEPC 4pc1stDb (1992-96 £88. 91pc1s)
Db 1997-2002 £100 (21/7). 5pc.n
2000-05 £82's. 64pcln 1995-2000
£114's 5's
Metropolitan Riy Surplus Lands 64pc1st
Db 1986-91 £87 (23/7)
Mountielch Go 34pcln 2005 £293 (23/7)
Pol Hides 9-met-80b 2011 £956
Property Hide Invest Tat 81-pcln 2001-06
£157 (23/7) Property Midg Invest Tat Bi-pcin 2001-06 6157 (237) Property Security Invest Tat BpcPt (£1) 88 (237) Revis Property Midss Bapcia 1997 £81 is (217) Revishaudi Grecost Estates 11pcistOb 2014 £107 x (237) St Modwen Props 11001 24 is 5 is Samuel Props 11pcistOb 2016 £105/s

Cambridge Water 4pcDb £30 (22,77)
Coine Valley Water 3,5pc £45 (21,77, A
7pc £70, C 7pc £700, 4,9pc £53, 5
East Surrey Water 8 4,9pc £53, 22,77,
2,8pcPh £32 (21,77), 4pcDb £50 (22,77)
East Worcs Waterworks 3,5pc £46 (21,77)
Eastbourne Waterworks 7,1pcDb 1990-92
£85, 101-pcDb 1993-97 £99
East Water 3,5pc £40, 3,5pc £42,2pc ABS. 10:00Db 1995-97 £99
Essex Water 3.5pc £40. 3.5pcPf £420.
4.2pcPf 1984-85 £350. 5pcDb 1986-91
£90: (187) water 3.5pc £46 (2217)
Lee Valley 3.5pc £46 (217)
Mid Kent Water 3.5pc £43

Ord. Div. Yield ...

Earnings Yld.%(full)....

P/E Ratio (net) (*)

Total Bargains (Est)....

Equity Turnover Em. ..

Equity Bargains

Shares Traded (ml).

1262.9

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89.19

96.03

1.263.7

196.7

4.36

10.43

11.67

22,836

10 a.m. 1264,2

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95.55

1,274.7

189*.7*

4.31

10.41

11.68

404.78

19,952

213.6

1263.4

Basis 100 Gont. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974 *NR-11.27.

88.86

95.65

197.2

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482.9B

212 1

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(38) 2312 4 14 17 5 Intervision Video (Hidgs) (108) 5 1/2 6. 7pcPl (£1) 137 Kenyon Secs 220 11/2 5 M6 Cash and Carry New 89 Memory Computer 7.8pcPl 1994-98 (Ir£1) 145

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Ashton Mining 710 69 \(\frac{1}{2}\)27
Aust Foundation Inv 700 (2277)
Avon Prods \$213 (2377)
Bayerische Megoren Werle £172\(\frac{1}{2}\)
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Brambles Inds \$255 (2577)
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FINANCIAL TIMES STOCK INDICES Slace Compilation High ÚW. **49.18** (3/1/75) 80.39 (18/4) 49.18 127.4 83.46 (9/1/35) 97.68 86.55 86.50 (23/1) 1,094.3 **37175**) (28/11/47) 1,435.9 924.I 1.425.9 332.6 (26/10/71) (15/2/83) (18/7) S.E. ACTIVITY 12.53 ledices July 24

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5-Day Average
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Equity Value

2 p.m.

Applications granted for specific

bargains in securities not listed on any exchange

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RULE 535 (3) Dealings for approved companies engaged solely in mineral exploration

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

YESTERDAY'S ACTIVE STOCKS Above average activity was noted in the following stocks yesterday Clusing Day's price 99 506 363 76 301 252

TH			CTIVE ST		(S	
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5.DAY ACTIVE STOCKS

Based	on barg	geins ev	er the fi	ve-day period en	ding Thu	rsday	
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NEW HIGHS AND LOWS FOR 1986 Can Imp Bank, Can Pacific. BANKS (4)

Granville & Co. Limited

NEW HIGHS (35)

AMERICANS (6) FPL Group, Houston Inds Inc, Pacific Gas & Elec. Pacific Telesis. R.IB Nabisco Inc., US West. BREWERS (1) Ruddie (G.). BUILDINGS (1) Vibroplant. CHEMICALS (1) Morley (R. H.). ELECTRICALS (2) ASEA AB A. Toshiba Corp. FOODS (2) Bensons Crisps. Cheshire Wholeloods). INDUSTRIALS (3) Alumasc. Continuous Stationory. The Times Veneer. INSURANCE (1) Taisho Marune. LEISURE (1) Selec TV. NEWSPAPERS (1) Home Counties News. PAPER (1) Smurfitt (Jeff). PROPERTY (3) Apex Props. New Cavendish, Parkdale. SHIPPING (1) Runciman (W.). TEXTIES (1) Burmatex. TRUSTS (8) Derby Trust Inc, Eng & Intl, GT Japan, Murray Smaller Markets, Do B., TR Pacific Basin, US Deb Corp. Berkeley Technology. OILS (1) Bristol (i) & Minerals. PLANTATIONS (1) Grand Central.

8 Lovat Lane London EC3R 8BP

NEW HIGHS (35)

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Fully

Gross Yield Fully
Price Change div.(p) % Actual taxed
131 — 73 5.8 80 7.5
131 — 10.0 76 — —
112 — 7.6 6.8 7.0 6.3
33 — 4.3 13.0 4.1 4.9
184*d — 46 2.5 20 9 192
78 —1 4.3 5.5 9.3 8.5
80 +3 2.9 3.6 5.7 8.9
86 — 16.7 18.3 — —
223 +3 9.1 4.1 10.8 11.0
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Gross Yield

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LEADERS AND LAGGARDS Percentage changes since December 31 1985 based on Thursday, Metals and Metal Forming ... +38.73 Financial Group ...

Motors ... +38.08 Investment Trusts ...

Textiles ... +35.81 Brewers and Distilization ...

Publishing and Pronting ... +33.77 Industrial Group ...

Contracting, Construction ... +31.46 All-share Index ...

Packaging and Paper ... +27.11 Office Equipment ...

24.62 FOO have Index ...

+38.73 Financial Group +14.95
+38.08 Investment Trusts +14.71
+35.81 Brewers and Distillors +13.74
+33.77 Industrial Group +13.36
+31.46 All-share Index +12.74
+27.11 Office Equipment +12.58
+24.62 500 share Index +12.32
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+24.63 Food Manufacturing +12.00
+22.23 Stores -10.48
+22.01 Overseas Trading +9.29
+22.00 Electronics +9.23
+20.90 Insurance (Life) +6.53
+20.58 Shipping and Transport +5.17
+19.28 Oils and Gas +4.54
+18.94 Mining Finance +3.48
+17.49 Insurance Brokers +2.61
+16.91 Other Groups +2.46 Other Industrial Materials Insurance (Composite) +16.91 Other Groups+16.38 Food Retailing

ADVERTISEMENT

Wildlife under the axe

Time is running out for the tropical rain forests \dots ξ : one of the world's most important wildlife habitats . home for nearly half the Earth's species of plants, birds and mammals — including primates like these pictured here.



Every year, an area of forest ber the World Wildlife Fundthree times the size of Switzer- UK in your will-or send a gift land is decimated. Consumption of money. Better still—do both. of hardwoods from tropical Consult your solicitor or write forests in the last 30 years has for details to: torests in the last 50 years has soared by 1,500%. In the time it takes you to read this message, over 200 acres of tropical forest will have fallen to the axe.

The World Wildlife Fund is Godalming one of the few organisations Surrey GU7-1QU taking steps to save the forests from extinction. Unless we act Please support our vital campaign to half the destruction of the forests.

One of the most important ways of

work is to remem-

supporting

Dept. FT14

If you tell us you've mentioned now, more than 1 million forest the World Wildlife Fund—UK species could have vanished by in your will we'll see that your the year 2000. generosity is suitably acknow-ledged, and keep your informed about the progress of our life-saving work. U.K. Registered charity

World Wildlife Fund-UK

11-13 Ockford Road

(Alie I an Light)

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FINANCIALTIMES

Saturday July 26 1986



Japan accused over chip dumping

BY LOUISE KEHOE IN SAN FRANCISCO AND CARLA RAPOPORT IN TOKYO

US SEMICONDUCTOR manu- effort in the US recently aimed smoothly. broad semiconductor trade market to US microchips.

agreement between the US and Even as the two sides wor Japanese Governments by esca- toward lating their delayed cut-price trade

have cut their US prices on Eproms (Electrically Programmable Read Only Memory panies they are complaining chips). a commodity type of about. This kind of thing will being offered in the US at about the companies they are complaining panies they are complaining panies they are complaining to the current talks.

Separately, other US industry officials claim the Japanese International Trade and Industry officials claim the Japanese I

Jefferson

buys rival

for \$1.16bn

By William Hall in New York

world's biggest packaging mar-

JSC/MS Holdings, a newly-

by one of New York's oldest

investment banks, announced yesterday that it had signed a

definite agreement with Mobil, the second biggest US oil com-

pany. They have agreed to ac-

Smurfit

dumping of memory chips in makers of Eproms had sharply

facturers have accused their at bypassing the expected Japanese competitors of trying to undermine negotiations on a that would open the Japanese of chips which Japan prices of chips which Japan

sells in countries other than Even as the two sides worked the US and the issue of ensursettlement of their ing the terms of the agreement frictions, Japanese are being fulfilled.

The US has set today as a reroay on the eve of what is scheduled to be the final day of the year-long trade talks.

They claim that the five largest Japanese chip producers have cut their US prices on Eproms (Electrically Peronnel of Eproms, elaimed.

These claims are ludicated to be the final day of the year-long trade talks.

These claims are ludicated to be the final day of the year-long trade talks.

These claims are ludicated to be the final day of the year-long trade talks.

These claims are ludicated to be the final day of the year-long trade talks.

These claims are ludicated to be the talks will continue intent on continuing their predatory ways under the productions to deadline for President Ronald the talks will continue the product of the year-long trade talks.

These claims are ludicated that Japanese Eprom producers are intent on continuing their predatory ways under the productions. Given these developments in the semiconductor talks will continue the productions and the talks will continue the productions are ludicated to be the final day of the year-long trade talks.

These claims are ludicated that Japanese Eprom producers are intent on continuing their predatory ways under the productions. Given these developments in the five and the productions are largest producers are intent on continuing their predatory ways under the productions are largest productions. Given the semiconductor talks are largest productions.

Eproms from an average \$4.25 to around \$3.30 this month after the US Government suspended

the anti-dumping suit.
"Potential suspension of the dumping case was an act of good faith, an act answered by increased Japanese dumping."
Mr Thomas Dunlap, Intel's
general counsel, said.
"We can only conclude that

made Read Only Memory panies they are complaining sought in the current talks.

Chips), a commodity type of about. This kind of thing will memory chip at the centre of the trade dispute, by an average of 22 per cent this month.

Separately, other US industry executive.

Separately, other US industry officials claim the Japanese International Trade and Industry officials Covernment with order to use agreement using sought in the current talks.

Japanese-made Eproma are being offered in the US at about one-third of their fair value, one-third of their fair value, use of the expected trade accord by promising present the process of the current talks.

Industry analysts are complaining to use the current talks.

Industry analysts are complaining to use the current talks.

Industry analysts are complaining to the current talks.

Industry analysts are complaining to use the current talks.

Industry analysts are complaining to the current talks.

Industry analysts are complained that Japanese chip makers are deliberately trying to bypass the expected trade accord by promising to the current talks.

Industry analysts are chip makers are deliberately trying to the current talks.

Industry analysts are chip makers are deliberately trying to the current talks.

Industry analysts are chip makers are deliberately trying to the current talks.

Industry analysts are chip makers are deliberately trying to the current talks.

Visible trade balance in deficit

THE UK's visible trade balance remained in deficit last month as both exports and imports fell, the Department of Trade and JEFFERSON SMURFIT Corp-

Industry said yesterday.

A surplus of £288m on oil trade helped to counter the oration, the fast-growing US arm of the Irish packaging group, is taking over Container Corporation of America, one of deficit of £911m on non-oil trade, leaving a visible deficit of £623m. The May deficit was

The department is forecasting a surplus of £700m a month on invisible trade such as services deal which will more than double its presence in the and this helped to maintain a small surplus of £77m on the current account of the balance formed company owned equally by Jefferson Smurfit and the Morgan Stanley Leveraged Equity Fund, which is controlled

its Budget forecast of a current account surplus of £3.5bn for the whole of 1986 may not be achieved but it pointed to a recovery in export volumes and the favourable invisible trade

quire CCA, which last year had sales of \$1.7bn and employed 18,400 staff. JSC/MS Holdings will pay Mobil \$700m in cash and assume approximately \$457m in CCA debt and other liabilities.

acquisition will be financed mainly through \$600m in bank borrowings and the sale of approximately \$400m in subordinated debt. Jefferson Smurfit and Morgan Stanley say that they have firm

commitments from a bank syndicate led by Bankers Trust to provide up to \$700m in financing for the acquisition and ongoing operations.

Jefferson Smurfit entered the

US market in 1974 and has grown rapidly through acquisition. It now operates more than 90 mills and facilities in the US. In the first six months of 1986 it earned \$10.6m on sales of \$501.2m.

However, the latest move

inid-1970s when it was trying to diversify into non-oil-related

The Morgan Stanley Leveraged Equity Fund is a limited parlnership organised in 1985 service to taxpayers is reflected per cent of inspectors resigned.

Service to taxpayers is reflected per cent of inspectors resigned.

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Service to taxpayers is reflected per cent of inspectors resigned.

Service to taxpayers is reflected per cent of inspectors resigned. including leveraged buy-outs. local offices for the public to by 46 per cent overall

Bristol Cil ... 144 ÷ 3 Burmatex ... 198 ÷ 8 Conroy Pet ... 148 ÷ 10

Corroy Pet 148 ÷ 10
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NMG Invs 128 ÷ 11
Parkdale 84 ÷ 14
R.H.M. 209 ÷ 6
Renold 76 ÷ 9
Reuters P 500 ÷ 12
Ruddle (G.) 285 ÷ 98

ACR Records 170 ÷ 26

AGB Research 170 - 26

WORLDWIDE WEATHER

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

as imports and exports fall BY GEORGE GRAHAM

the biggest US packaging com-panies, in a \$1.16bn (£779m)

of payments compared with an estimated £34m in May.

The Treasury conceded that

balance.

Some economists, however, believe the projection of an invisible trade surplus of £700m
a month, used in the preliminary balance of payments
statistics, may be too high.
Mr Stephen Lewis, chief

Phillips and Drew, said: "We feel that this is far too optimistic and a level below £500m average oil price of \$15 a baris expected to be aunounced once the final figures for the months of the year was £2.76bn. January to March to £2720 in

		RRENT ACCO		
	(£m	seasonally adju Visible	sted) Trade	
	Current	Exports	imports	Invisibles
	balance	fob	fob	palance
1984	+1,563	70,367	74,758	+5,953
1985	+3.763	78,072	80,140	+5,953
1985 Q2	+1,587	20,237	20,361	+1,711
1986 Q1	+ 528	18,204	19,604	+1,928
Q2	+ 546*	17,735	19,289	+2,100*
1986 April	+ 435*	6.038	6,303	+ 700*
May	+ 34*	5,871	6,537	+ 700*
june	+ 77*	5,826	6,449	+ 700*
January to	1 074 *	3E 030	30 203	∔4 072 0

*Invisibles for April to June 1986 are projections.

oil exports fetched an average £22 a barrel, the surplus oil trade was £8.16bn. In the second quarter of this year, when the average price fell to £8.88 a barrel, the oil trade surplus dropped to £765m.

of oil prices below \$10 a barrel

based on the assumption of an the quarter

the previous quarter to £14.45bn while import value fell by } per cent to £17.43bn. Exports were still 1 per cent lower than in the corresponding period of 1985.

lus dropped to £765m.

The volume of exports in this
The subsequent further fall category rose during the April
f oil prices below \$10 a barrel to June period by 3½ per cent is expected to show up in the from the previous three months form of an even lower oil trade to stand fractionally lower than surplus in coming months.

The Treasury's forecast of an oil surplus of £5bn in 1986 was rose by only } per cent during

The total manufactured trade months of the year was £2.76bn. January to March to £573m in

If oil and erratic items such the second quarter; 12 per cent second quarter are confirmed.

The collapse of oil prices has as ships and precious stones severely impaired the UK's are excluded the value of exvisible trade performance so ports in the three months to far this year. In 1985, when UK June rose by 3 per cent over the second quarter; 12 per cent lower than a year earlier. The Treasury forecasts a deficit of £3bn on manufactures for the whole of 1986.

Resignations at Revenue soar

BY CLIVE WOLMAN

lished on Thursday which relate costs.

THE NUMBER of resignations read, outlines the rights of taxfrom the Inland Revenue has payers when dealing with the ing relationships with the pub-soared over the past two years. Revenue and Customs and lic, low pay and increasing de-

overshadows its earlier acquisitions and transforms the company, which is 78 per cent controlled by its Irish parent, into one of the biggest packaging groups in the US.

Mobil acquired CCA in the mid-1970s when it was trying to discover the past two years, Revenue and Customs and discusting described in the past two years, Revenue and Customs and discustoms and discusting tax and collection to the Excise.

The charter tells taxpayers perts in the financial services tax bill they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing resignations, assures them that staff will they think is wrong. It hind increasing the mand and salaries for tax experts in the financial services sector are the main factors because the main factors because the main factors are the main factor

to the loss of staff and last year's

The proportion of fullymounting arrears

The Revenue's growing contrained tax inspectors resigning
The Revenue's growing conbas increased four-fold since
than 60 per cent of the staff are
traineds.

Stan give to tax practitudies
In many local offices, more
than 60 per cent of the staff are
trainees.

Low staff morale, deteriorating relationships with the pub-

HMSO, £9.80

Continued from Page 1

Commonwealth

Blue Circle 572 - 21 Britoil 110 - 26 Carless Capel 50 - 5 Enterprise Oil 99 - 6 Hawley 101 - 5 Laing (John) 448 - 10 Preedy (Alfred) ... 104 - 8

 Saga Holidays
 140 - 10

 Sangers Photo
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 Taylor Woodrow
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Trafalgar House ... 252 - 11 Tricentrol 45 - 5 UK today: Outbreaks of rain, tempera-tures below normal and windy in parts.

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C-Cloudy, F-Fair Fg-Fog R-Rain, S-Sunny, T-Thunder, t Noon GMT temperatures.

galling was a fried fen aff war burch "

Geoffrey saw last Wednesday, nor Dr Kaunda, who gave him an angry reception in Lusaka he does not visualise his mission coming to an end after the liope that a dialogue between the Pretoria Government and day and that he may have to

black opposition leaders could be started in the near future. While Sir Geoffrey professes to see a chink of light at the end of the tunnel and firmly believes that common sense will prevail. Dr Kaunda has dampened his expectations.

"I see no succour at all from what Sir Geoffrey told me," Dr Kaunda said in a teleffsion interview yesterday. "Now by his standards, by the standards of the Ronald Reagans and Mrs Thatchers of this world, maybe he can obtain something; but nothing at all to bring hope to my troubled mind, nothing at

Dr Kaunda said Sir Geoffrey had not given him any indi-cation that Mr Botha was prepared to release Mr Nelson Mandela, the nationalist leader who has been in prison for 24

the ending of apartheid are for Dr Kaunda's behaviour, among the main conditions stressing that the Zambian considered necessary by the 12 President, with his long experience of African affairs, was wealth countries for starting a understandably

make several visits to southern Africa before a breakthrough

is made. After leaving Lusaka yesterday for Gaborone, where he met President Quett Masire of Botswana, Sir Geoffrey went out of his way to play down the significance of the stiff diplomatic rebuff he had suffered at the hands of Dr Kaunda.

The Foreign Secretary rejected any suggestion that he should have reacted more sharply and walked out of his meeting with Dr Kaunda after the Zambian President had told him he was not welcome as the messenger of Mrs Thatcher's and Mr Reagan's governments.
"I think that is absolutely

the wrong kind of diplomacy. Sir Geoffrey said at a press conference. "Diplomacy is not a series of walkouts; it is a The release of Mr Mandela.

The release of Mr Mandela.

together with the lifting of the sion of this kind on the basis of escalating public rhetoric."

Sir Geoffrey even went out African opposition groups and of his way to find an excuse

make up to **\$80m** for Steinberg By Terry Dodsworth in New York

Reliance

offer may

MR SAUL STEINBERG, the financial wizard who at the age of 46 already has 25 years of stock market wheeling and dealing behind him, looks set

dealing behind him, looks set to pull off another coup.
Only four years after huying out the public shareholders in his master company, the Reliance insurance group, be is planning to offer a third of the business to investors again in a deal that would make him \$70m to \$80m (£47m to £54m).

The proposed transaction is a model of how to take advantage of the buy-out strategy.

strategy. In 1982, when Mr Stein-hers took Reliance private. herg took Reliance private, the insurance sector was plumbing the bottom of the cycle, the shares were out of favour with investors and he eventually captured the company at a price which valued it at only about \$650m.

Today, with insurers popular again on Wall Street, Mr Steinberg is putting a value of between \$1.28bn and \$1.52bn on Reliance.

The possible pricing of the stock, at between \$16 and \$19 a share, demonstrates the way

a share, demonstrates the way in which the insurance industry in the US has recaptured investors' enthusiasm. On the basis of last year's

earnings, when the company made 21 cents a share, the asking price for the offering would look very steep indeed. In the first six months of this year, after stripping out nonrecurring gains, Reliance has not made much money either. Yet, as recent offerings from some of the leading companies in the sector have shown, investors at the moment are hungry for insur-

The public, however, will not only be investing in insur-ance. They will also be put-ting their money behind the financial skills of Mr Stein-

As several recent Wall Street offerings have indicated, American investors are more than willing at present to take a flutter on the abilities of entrepreneurs such as Mr Ted Turner, the Atlanta broadcaster, or Mr Rupert Murdoch, the international publisher.

Mr Steinberg has been in

the limelight again over the

past few weeks with a \$357m offer for John Blair, a New York communications group. But the deal which revived memories of his early stock market manoeuvrings was his raid on Walt Disney in 1984. To "protect his investment" he mounted a hostile bid on the entertainment group, walking away a few months later with a profit of about \$60m after being bought out by the Disney board in one of the most celebrated examples of "greenmail"—the practice of buying out troublesome shareholders at a

premium to the market price. Inevitably. Mr Steinberg does not like to be known simply as a raider. In spite of the way in which he has cap-tured the public imagination in aggressive tussles with companies like Pergamon in the UK, back in the 1970s. or his astonishing proposal at the age of 29 to take over Chemical Bank, he stresses his record in building up

The company is currently reckoned to be the 25th largest US insurance group. employing 10,500.

Continued from Page 1

Keagan

Reliance.

The Soviet Union could not afford to engage in a long and costly arms race, and Mr Gorbachev was aware of this, the President told a public gathering at the White House. "He knows there must be some changes if he is to resolve some of the (Soviet Union's) problems.

"Our great hope with regard to arms reductions (is that) he believes that, for the sake of their economy, it might be in their own interest for them to join in reducing these great stores of arms and ending an arms race which is so costly to them and has been the principal cause of their economic problems."

Mr Besmertnykh will be the most senior Soviet official whom Mr Shultz has met since he had talks with Mr Nikolai Ryzhkov, the Soviet Prime Minister, in Stockholm last March.

A US official said Mr Shultz and Mr Eduard Shaverdnadze, the Soviet Foreign Minister, were expected to meet in September, when they would attend the UN general assembly in New York.

The official speculated that although Moscow was ready for high-level discussions with the US before then, it did not want to despatch Mr Shevardpadze before the President's letter had been received and studied,

THE LEX COLUMN Britoil yields

to no man

Why anyone should have thought that such a conserva tively-run company as Britoil would maintain its interim dividend while leaking cash at well over film a day is a mystery. But the 26p fall in Britoil's share price to 110p suggests a large number of disappointed punters. If Britoil had not halved this dividend it would in any case have meant even more savage treatment of the final.

Britoil's average first half realisation price was about £12 a barrel, about twice the current rate. At £6 a barrel the company is probably at around break even on present policies. The problem is that at those prices the fields' lives are shortened, leading to a sharply higher depreciation charge and pre-tax losses. It is only in such bleak circumstances that the company

More to the point are £200m or so of capitalised exploration costs in the balance sheet. The company will wait to the end of the year before deciding how much of that to write off. At least Britoil has capitalised only expenditure deemed to have resulted in success. The situation of these many other IVE tion of those many other UK explorers who capitalise the lot hardly bears thinking about, particularly for their bankers.

proven and probable oil and gas some reserves at just 73p per barrel of oil or oil equivalent. A similar kind of assessment of asset rather than yield evaluation has sucked in US investment the extent of larger 35 means ov ment to the extent of almost 25 per cent of the share capital in the past few months. But the Americans did not seem to see the new low as a buying oppor-turity yesterday. The trouble is that there is now no way of valuing the share at all. The together is a distinct possibility. 250,000 small shareholders who into gilts. About time too, plunged in at 215p and 185p have learned more about equity investment and risk capital than they ever will with Personal

LLOYDS BANK

of the hill on Wednesday, only will be able to start clawing to march all the way down back some of the £350m of again (and more) thereafter. deferred tax provisions that Not that anyone could really some have highlighted. market in either direction, except for that conveniently unanalysable catch-all, political uncertainty. The truth may well be no more than the usual summer holiday malaise. For the first time this year, the market went a whole week without a day in which equity turnover broke the £500m mark. Seen in that light the share Britoil's shares now value its markdowns to create at least

ICI's figures showed yet again that the market's earnings projections have been by no means overheated. But the postponement of the cheap-oil led economic boom has begun to crack the confidence of some of the more nervous forecasters of UK ple's 1986 profits. It will is that there is now no way of valuing the share at all. The passing of the final dividend almarket out of its present gloomy mood. Domestically, the together is a distinct possibility. As for break-up value, that depends entirely on whether the government ever instructs Britoil to pay £1 and redeem the Golden share. The nearly 250,000 small shareholders who

Lloyds Bank

to £335m gave little support to Index fell 0.5 to 1263.7 the shares, which slipped 4p to 398p yesterday. After all the fuss over the Standard Chartered bid, Lloyds' rerating against the sector may be over unless it can demonstrate that the bank is now heading somewhere worth going, and at a

> If Lloyds is not to bid again, and it seems unlikely, there are precious few other targets the size of Standard. So growth must come organically and through the odd smaller acquisition, perhaps some bits of Standard its new shareholders

Lloyds' interim statement was in any event stuffed with strategies, objectives and ratios marshalled to show what an excellent bank Lloyds is. The thing it did best in the first half was paying less tax: the bill fell by £2m to £121m.
The merger of the bank and
Lloyds Bank International saved around £18m, plus £5m in costs, and the introduction of specific provisions on sovereign debt allowed them to be set against tax.

Lloyds' overseas operations which Standard was supposed to boost, remain a pretty nuixed price moves were out of all bag. Where Lloyds has mana-proportion to volume, and sugged to win a top market posi-gest little more than jobber's tien there are good profits to be made. But in large chunks some institutional buying of tht Middle and Far East, for interest.

buying of tht Middle and Far East, for example, Lloyds is still in loss. At home, the gradual erosion of the net interest margin, as depositors switch from current to interest bearing accounts and look for higher rates at that, has reached as far as 5.2 per cent. In 1981 it was 7.4 per cent. To compensate. Lloyds is making more from its estate agency, insurance broking and even the registrar business which gains from the high level of stockmarket activity.

had been yielding an average 6.5 per cent pre-tax. If Lloyds can reinvest it at the 17.8 per cent post-tax return achieved in Making a forecast three days before the end of the half year did not leave Lloyds Bank much room for error, though it managed to be four cents out on its dollar/sterling exchange got the Duke of York treatment, marching up to the top

Making a forecast three days before the end of the half year did not leave Lloyds Bank much multiple of the four majors, prospectively 5 or less on a forecast of £690m for the year, and the highest yield aside from Midland, Lloyds still has some for error, marching up to the top

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The revolution that shamed China

THERE WAS an edge of embarrassment and unease to his voice as the Chinese Government official admitted that in his youth he had been part of a marauding band of "Red Guards"; he confessed that he had harassed so-called "bad elements"; he explained that "it doesn't take long to smash a temple."

Persuading the Chinese to talk about the Cultural Revolution—the "years of chaos" that began 20 years ago this month and officially finished a decade later — and about their role as persecutor or persecuted is to tap a reservoir of national shame and personal tragedy. Most Chinese have decided that it would all he best left unsaid. While the Government has implored the masses to learn from the mistakes, it has stifled any debate that might draw the uncom-fortable issues to the surface. "Best we forget" is the implied slogan.

Yet the legacy of the Great Proletarian Cultural Revolution, to give its full title, is shaping the world's most populous country and its attitude to the outside world. China is now led by Deng Xiaoping, who was purged and spent his days labouring in a factory canteen. Other senior leaders "slept with the sheep" (a phrase to describe farm work) or were humiliated publicly and exiled to distant provinces.

There is a "lost generation" of young followers of "Mao Tse-Tung thought" who poured from the cities to get their hands dirty in the fields and "learn from the peasants." They are now bitter about the wasted years. One "lost" soul told me the generation feels

The education system, the arts and the sciences, all were neutered and are still to regain their potency. Teachers were attacked by their students; artists were hounded and their creations destroyed; psychological therapy was based on reading Chairman Mao's works.

Assessing the consequences is not easy. At the time, many of those with the blurred vision they call "Chinawatching" were wrong, badly wrong. And the view is still distorted by the present leadership's impressionistic approach to recording history.

The Great Helmsman, Mao Tse-Tung, did not look over his kingdom one day and say "Let there be chaos." Political faction-fights had brewed for a decade before 1966 over where this backward country should be led. But if one was to pick a turning point it would be July 16 1966, the Day of the Big

The apparently frustrated 72-year-old Mao, realising that more moderate leaders were getting the better of his power, took a plunge into the Yangtze River in a media event that dripped with symbolism. He was said to have covered with the aid of currents, 10km in just over an hour. It was a flexing of his political muscles, and a sign that the intense party conflict of preceding months was nearing a climax.

A few days later Mao attacked the two leading "capitalist roaders," the President, Liu Shaoqqi, and the Vice-Premier, Deng Xiaoping, who had showed his pragmatism by suggesting that it matters little whether a cat is black or white as long as it catches

The diminutive Deng—peasants today call him "short man Deng"—was vilified as a "demon." a "freak" and a "bourgeois revisionist." The Government geois revisionist." The Government urged he be criticised "deeply and thoroughly." His son, Deng Pufang, was crippled when Red Guards threw him from a fourth floor window in 1967.

Robert Thomson listens to the

messages underlying the guilty silence about the excesses of cultural upheaval under Mao Tse-Tung

Deng Snr, purged again in 1976 and now 81 years old, has of course proved the Great Survivor. The Cultural Revolution has provided him with guidelines on how not to rule. He has done what Mao dared not . . . delegate authority. Deng Jnr is executive director of the China Welfare Fund for the Handi-

Liu, a life-long party man, was labelled a "counter revolutionary, renegade, hidden traitor and scab." He died three years later in a desecrated bank, and his remains were stored in a vault. Sympathetic Chinese regard him as the nearest the country has to a modern

all that followed, is murky. It was partly power struggle, partly an assault on the bureaucracy by Mao, and partly an attempt to revive flagging revolutionary fervour from the top down. 27 years after the Communist Party had gained

Mao was conducting an experiment in mass democracy by attempting to institutionalise "class struggle," and he wanted to ensure that the Chinese character was irrevocably made ideologically pure.

The period was a source of inspiration for another social experimenter. Pol Pot, in his brutal attempts to change

The "Great Leader, Great Teacher, Great Supreme Commander and Great Helmsman." as the personality cult demanded that he be known, gave his reasons at the outset: "The current Great Proletarian Cultural Revolution is absolutely necessary and most timely for consolidating the dictatorship of the proletariat, preventing capitalist restora-tion and building socialism."

Ridiculously. Mao seemed uncertain about the exact meaning of it all and miscalculated where the unleashed forces of youth and army would lead. Violence became a sport, and those who were brutal felt fully justified. Reactions have included revulsion to violence similar to that felt in Europe in the wake of the world wars.

The gory details are many and varied. Much of the violence was contained in the first two years, when the pubescent "Red Guards" taunted officials and went on a rampage throughout China. Eventually, even Mao realised that his "little red generals" had gone too far in his

At Chungking, in the south-west, rival factions (the "August 15" and the "Fight to the end" factions) used tanks and mortars to prove political points. On Putuoshan, a southern island famed for its Buddhist relies, hundreds of statues were destroyed. One of the ran-sackers explained: "It was difficult for us to tell the difference between real culture and superstition."

It is difficult now for that reformed ransacker to explain why he did what he did. Reflecting on those confused times brings a smile, a sign that he has "lost face." In fact a whole generation realises it has "lost face," and indignation has evolved into humiliation. He was a teenager who thought he was doing the right thing by China and Mao, as well as savouring the power that he and his young fellow travellers had

Like many other Chinese who suffered and inflicted suffering he looked for someone to blame. The Communist Party knowingly provided the whipping comrades — the Gang of Four. Mao's wife Jiang Qing and three of her radical associates were held responsible for st everythin purpose was to shield Mao and, implicitly, the Party and the Revolution itself, but even during their trial, in late 1980, which ended in a life sentence for Jiang Qing, the Chinese spoke of the "Gang of Five," with Mao the fifth card-carrying member.

Sloganeering has faded, but the government has yet to analyse soberly the ideological conflict that led to the Cultural Revolution and still spouts the 'Gang of Four" as the reason for the country's problems. For example, during



a boat ride a few weeks ago on China's cherished West Lake at Hangzhou, in the south, a local official explained that the "Gang" built the factories that had polluted the lake.

The distance between officially-portrayed reality and what actually happened might risk making the Party seem silly, so today any genuine discussion of the Cultural Revolution in the arts or media remains forbidden. Only sweeping statements invoking the evils of the gang are considered

Attitudes toward Mao vary, although he is considered officially to be 70 per cent right and 30 per cent wrong. A "sent down to the young woman countryside," as it was called, assessed the great man like this: "Older people say with no Mao there would be no China. I say that if there was no Mao I would not have had problems. Some young people, for whom the Revolution and Long March are long past, tend to regard Mao as a buffoon, while others say he ruled for 20 years too long and China suffered for it. Interestingly, September 9 will be the 10th anniversary of his death, and the party might use the occasion to re-evaluate his role.

years of turbulence, Deng and his pragmatists could not have turned China around. Just as Mao violated a society, Deng and colleagues have found it easier in his wake to violate basic Marxist beliefs. They have provided stability when the country badly needed it, and have been able to exploit disillusionment to push their bold reforms through.

But China remains divided. The discredited Party is more open to opportunists who realise that membership has become a guarantee of material comfort. The Dengists have tried to weed out those opportunists who joined during the Cultural Revolution, but have almost

The brand of politics in the ascendancy from 1966 is now termed "leftism," and lingering "leftism" has been blamed particularly for the continuing poor economic performance of Shanghai, a former stronghold of Jiang Qing and her gang. A current joke claims that the last two Chinese cities to implement economic reforms are Taipei (in Taiwan) and Shanghai.

The bureaucracy that Mao attempted to uproot has become an even more serious problem now that reform has led them astray.

given more power to officials who learned then that it is best to keep a low profile.

Many feel the political tide could turn
and they could be beached, so instead of the creative decision-making that reform requires, officials procrastinate.

WEEDEND TI

While the bureaucrats, in theory, have more power, the military has less. Co-opted by Mao to carve some order out of disorder, the People's Liberation Army, under the leadership of the "Chosen Successor," Lin Piao, went close to moving in on the Party's govern-mental territory. The ambitious Lin apparently plotted to kill Mao, but was killed himself when his aircraft crashed in Mongolia after the scheme was un-covered, in September 1971. The military's political muscle has withered since, most decisively last September, when six elderly PLA officials were pensioned off from the Politburo, the core

Within the ranks of the masses, there has been an inevitable polarisation. As well as sensing that its youthful idealism was exploited, the "lost generation" is certain that it has a unique understandcertain that it has a unique understanding of life from having "been there and done that." A 22-year-old Peking student told me that such people had set themselves apart: "They tell us that we know nothing. They say that we are frivolous and we do not understand."

Many who left behind their education in the midst of the turmoil have grabbed new opportunities for study and work. An acquaintance who spent eight years planting rice in a remote province is showing a Manhattan-like obsessiveness to get ahead in her new job. Her case illustrates the difference between urban and rural Chinese, who still are in the fields planting rice. The returned urban youth talk arrogantly of their time working with the "ignorant" peasants. Instead of learning from them, as Mao had intended, the rusticated youths decided that the peasant life was not for them.

With most of the violence concentrated in cities, China's 800m peasants were less affected by the Cultural Revo-lution. They regretted that private plots were taken away and were bemused by the exiberant young people who landed on the land to tell them how to plough fields with Maoist slogans. As a result, education suffered a particular setback in rural China, where teachers are still regarded as close to the lowest form of life. And far from being inspired by grand Maoist ideals, the peasantry retained its hand-to-mouth ideology and found it a buffer against the disillusionment suffered later by those who were. For them, Mao was just another emperor, and like those before him, he had to fall.

Today the Communist Party has realised that its image is badly tarnished and has launched a drive to encourage more "intellectuals" to join. (Any person who 7 20 has completed secondary school is regarded as an intellectual.) And Deng has promoted technocrats in accordance with his philosophy that it is better to 5 204 be expert than red.

ism that was shattered during the Cultural Revolution. Many people have been encouraged to screw what they can out of the "motherland" and to come to the conclusion that it does not pay to get ' involved ".

To listen today to Chinese recollections of the optimism and the exhilaration of the early 1950s — when the Chinese first realised they controlled their destiny — is to hear them say that it was their trusted leaders who had

The Long View

War of words as friends fall out

THE LEADERS in the world economy are starting to call each other names, and do not seem likely to stop in the near future. As reported, the armiments tend to sound a bit private and remote. It is not im-mediately clear why we should worry unduly about the US balance of payments, the growth of German central bank money, or the funding of Japanese pen-sions, nor get unduly steamed up whether the Tokyo summit agreement was something like a pact, or just a meeting of

However, what they are arguing about is, at bottom, the prospect for world growth, and how best to improve it. and that concerns all of us not least Mrs Thatcher, whose chances of re-election probably hinge on what the major economies do about growth (and on what Opec does about oil). If you are worried about your job security, or simply about your investments, it is well worth trying to follow what Mr Volcker, Mr Baker, Mr Nakasone and the rest are saying.
The American case is

least simple. We have led the world recovery for the last five years, and have run heavily into debt as a result, they say. Now it is the turn of those who rely on other people to keep their economies going those who underspend their income, and have a fat balance of payments surplus to show for it. In other words, Japan

and Germany, in that order. The answer, in a variety of tones and accents, is that the problem isn't nearly as simple as that. It is not the level of output and demand that are causing the problem—if you can call a sustained, gentle re-covery a problem but the structure of output and demand, and that takes times to change.

World leaders are arguing about the prospect for growth and how to improve it, says Anthony Harris. And that concerns all of us -not least Mrs Thatcher and her re-election chances.

We have done our best to help need. The fuels and raw mate-American exporters by co-operating in a huge dollar devaluation, but even that will now enormous; but not much only work slowly. What we can can be done to put this right do at home will be even slower. simply by stimulating demand On the face of it, there is a at home. lot in what the Japanese, in paricular, have to say. They couldn't absorb more than a have developed a strong export fraction of the consumer elecindustry, heavily concentrated tronics and cars they now ex-



rials are now cheap, so the Japanese payments surplus is

The Japanese market simply in one or two sectors to pay port — they export, for for all the expensive fuels and example, half again as many raw materials they expected to cars as they buy themselves.

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to rebouse themselves in a style managers' now that the mone suiting a very rich country; but tarist stick has cracked. they have problems with terrain and archaic planning laws. The last time they simply threw money at the problem, the only result was that both Government debt and land prices shot up. Just be patient. The Germans tend to take a

more moral line. Their basic claim is that they have already done all the right things. The American recipe of debt-financed expansion produced a quick thrill and a bad hangover. just as they always said. Their own austere programme and tight budgeting and money con-trol have worked like a strict training programme; the economy is now in splendid shape, and ready to run a Marathon. Just be patient.

Who is right, the Americans, or those whose policies they criticise? If you think you can answer that question, you have fallen into a logical trap, as I suspect the Germans and the Japanese have done. Saying that there is no need to worry about the level of demand in the world because the structure is wrong is like saying that a man cannot have a weak heart because he has a wooden

This nonsense, by the way, like most nonsense, is inspired in the first place by the intellectuals. The macroeconomists. with their computer models and demand management techniques, and the microeconomists, who are concerned with structure and incentives, seem to have got into the same meaningless opposition as the Bigendians and the Littleendians. They cannot understand that they are both trying to crack the same egg. To the counter-revolutionaries, structuralism is just a all-clear.

What they really want to do is handy stick to beat the demand

The truth is that although nearly everything that is said about distortions and incentives contains a lot of impor-tant truth, that does not mean that the Americans are not right too. What worries the newly-fashionable bears of Wall Street is that we are now risk-ing a real deflation, an echo of the one that laid the world economy flat 57 years ago.

So far, they argue, growth is just disappointing; but this disappointment will lead to cuts in investment spending depressing future growth still more, until we are in a down ward spiral. There is simply no time to wait for structural reforms to work; we need a shot of adrenalin now, and only the surplus countries can

afford it. There are good reasons to hope that this pessimism is as exaggerated as was the optimism which ruled in Wall Street quite recently. Given the high level of consumer demand the low level-by historic standards—of unsold stocks, and the determined expansion of the world's mone tary authorities, we still seem to me to be engaged in the long difficult debt work-out which started more than three years ago, known as stagilation.

That is hardly an inspiring prospect, though, and there is one more pressing danger which accounts for the new stri dent tone in Washington, the danger that a renewed down-ward slide in the dollar—which American industry would still welcome—could get clean out of control. Watch the dollar, and follow the international debate closely, and you should be able to pick up the alarm or the

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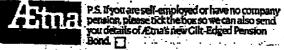
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Investors fail to catch the honeymoon mood

A POPULAR young couple tied downs and customers that held the knot midweek under the off ordering in the belief that ately rejected the BET offer. world. The London equity profits are the result. market struggled ahead by a few points to mark the occasion. But that was it. As the royal pair made off for their honeymoon it was back to reality and

Fretting about political uncertainties has developed into a habit in recent weeks and no matter what the Queen may, may not, think about Mrs Thatcher's administration the City's unease with the course events is self-evident in a drifting market. The report on the Westland affair on Thursday was a timely, if somewhat historical, reminder of the "political factor" which left the All-Share Index 1.3 per cent lower on the day.

Since the beginning of the month the All-Share has shed 50 points, some 6 per cent, and with the 770 level breached some chartists are now looking towards the 750 area as the next support level.

Politicians cannot be blamed for every downward point in the market's general trend, however. The ICI half time figures on Thursday provided nothing in the way of a tonic to a jaded market even though the results were fairly much as anticipated.

Pre-tax profits came out 12 per cent lower at £472m against £535m after a first quarter drop of £63m to £204m. There were few surprises within the sector breakdown. Everybody knew that agrochemicals and fertilisers had been going through a very rough patch and the oil gas interests were not destined to make much of a contribution. But on the plus side, petrochemicals and speciality chemicals, including the Beatrice acquisition, contributed some impressive numbers—even allowing for negative currency factors.

Nevertheless the shares immediately fell 18p to 982p on the news, presumably because the most newsworthy message to come out of ICI this week was that the fall in the oil price had not triggered the improvement in economic activity that some had predicted. And there was the bear signal for the rest of

the market. But if the likes of ICI are not going to cut selling prices to reflect lower input costs perhaps it is not that surprising that the world economy has not shot Still, sticking with the chemical giant in isolation, if it can hold on to its volumes in the second half and the oil price does not go shooting through to \$20 and beyond, ICI £16n in 1986.

So far this year the group has Trading may have something to had to contend with stock write- say if Hawley bid.

Boost

for the

banks

IT IS AN important week for the financial services sector

with three major groups report-ing figures. Kicking off will be

NATIONAL WESTMINSTER BANK whose Tuesday interims

Last year's first half figures were particularly disappoint-

ing at £354m and domestic

banking profits will accordingly

be able to show a substantial

increase in lending to the

individuals, both in the higher

margin personal loans and in

the lower margin mortgage

profits of around £445m

are expected to show pre-tax shae.

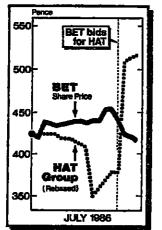
dewy-eyed gaze of over 350m prices would fall to reflect lower Yet the defence will have its television viewers around the oil costs. Weaker half time

> Input costs have, however, fallen by around a fifth over the past 12 months compared to a 2 per cent rise in selling prices. If ICI can hold on to the margin gain that was evidently in June for the rest of the year there could be pleasant surprises at year end despite the likelihood of the usual seasonal dip in the third quarter.

London

Forecasts for 1987 have to be made with a heavily typed caveat about the outlook for the one analyst is looking for £1.2bn pre-tax. That drops the prospective earnings multiple to around 9, a 25 per cent discount to the market. If the profit assumption is right can ICI possibly underperform?

Having suggested here last that it can build on last year's successful profits rise to £124.6m by developing its core industrial service activities, the launching of two bids on the same day looks almost greedy.



worth £31m for Brengreen and £96m for HAT Group. The aggressor's timing is spot on for both have recently reported poor results. Brengreen capitulated straight away but even so BET is far from home. Michael Ashcroft's Hawley Group quickly stepped into the market, raising its stake in Brengreen to 19 per cent.

A rival offer from Hawley would be far from welcome to Brengreen's David Evans and through to \$20 and beyond, ICI because Hawley has only just may yet see profits reaching taken over Pritchard Services for £150m, the Office of Fair

effect of the rights issue, the

drop in the tax charge to around 40 per cent will keep the earnings per share

the earnings per share increase ahead of the profits

year. Since the tax rate will

fall from around 59 per cent last year to around 50 per cent

this, the net effect will be a significant rise in earnings per

Midland has pushed hard to get a slice of the UK mortgage business by undercutting its

rivals' rates and although mar-gins have suffered, the overall

effect will have been to push

up domestic banking profits. The bad debts provision and

the disposal costs of Crocker will prevent international pro-

market. fits from showing the same rate
International profits are of growth but they should still
likely to be down, reflecting top £150m. Analysts are predictNatWest's caution in expanding that the strength of these

work cut out to prove the bid inadequate. The shares have performed hadly in the last three years, partly because of the bath the group took in the Houston property market and partly because the management appears to have lost its way. The strategic rethink and action hinted at for the autumn will do it no good now. The best HAT is likely to achieve for its shareholders is a higher price.

The market is getting used to some rather poor performances from the retailing marriages it has blessed over the last 18 months but Asda-MFI sticks out as one where marital bliss, at least in share price terms, did not even last the honeymoon. Reported pre-tax profits for the 53 weeks to April came out at £166.4m against £158.2m for 52 weeks. After adjusting for the extra week and allowing for the capitalisation of interest charges profits growth comes

out wafer thin.
Yet no matter how flat the numbers look for the past 12 months, a great deal has been going on underneath the surface. Asda is going all out to build up its lines of higher margin own-label groceries and by the end of this year owu-label could account for almost 35 per cent of sales compared virtually nil before the merger. MFI for its part is pushing into lighting, carpets, textiles

The current year may not produce a great deal by way of higher profits but an improvement to £185m looks a reasonably minimum target and if the trading mix gells that figure could be £10m or so higher dropping the prospective p/e to under 13—a significant, and undeserved, discount to the likes of Sainsbury and Tesco.

As at Asda-MFI, much appears to be going on beneath the surface of Great Universal Stores. For years GUS has been one of the duller members of the retailing set, attracting complaints by analysts of the dead hand of central management. But on Wednesday the group reported results that were surprisingly good. Trading profits came out over 14 per cent up at £290.3m.

But what has caught the market's imagination is the potential of the coupling of management abilities, if actual companies, with Harris Queensway. Evidently Sir Phil Harris and Lord Wolfson are getting along better than the market dared hope for and if Sir Phil's retailing flair can make some impression on GUS's stores, the dull image

£55m predicted at the interim continue. to around £65m. The reason When

that Wednesday's prelims are

The interim figures for expected to be so much immunitariational's stake in MIDLAND BANK, due on Friproved relate to good trading REUTERS to raise a finely day, are expected to show preperformances from Oppen-priced \$200m in May, he may

performances from Oppen-heimer before its sale and from

Results due

These better results will be

unlikely to improve the mar-

ket's captions view of Mercan-

tile's short term prospects. The

group's substantial commitment

to market making makes man:

analysts uneasy, particularly as the fall out of gilts market primary dealers may riva! the

Commonwealth Games boycott. On the equities side, the post-

next week

Analysts have been marking p their forecasts for MER or of possible sell-offs of its

up their forecasts for MER- or of possible sen-ons or us CANTILE HOUSE, from the constituent parts will probably

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1966	1986	•
	y'day	on week	High	Low	
FT Ordinary Index	1,263.7	-31.7	1,425.9	1,094.3	Political and economic worries
FT Gold Mines Index	196.7	+11.0	357.0	185.7	President Reagan opposes sanctions
Boots	257	+14	286	226	Takeover speculation
Brengreen	47	+ 54	47	331	Bid by BET/Hawley acquires 18.9%
British Telecom	182	-12	278	180	Political uncertaintles
Cable and Wireless	645	-43	738	568	Political uncertaintles
Cheshire Wholefoods	252	+29	252	120	Chairman's confident statement
Diploma	192	-23	368	192	Analysts downgrade profits
Goring Kerr	310	90	500	310	Disappointing interim figures
GUS A	985	52	£11}	730	Profit-taking after results
HAT Group	127	+35	127	86	Bid from BET
Home Counties News	240	+47	240	. 84	Bld approach
Oldacre	180	+80	183	70	Agreed bid from Unigate
Parkdale	84	+25	84	43	Speculative demand
Plessey	202	-14	246	164	Doubts about GEC bid
Rank Organisation	483	-24	599	420	5m shares placed at 478p
Ruddie (G.)	285	+102	290	147	Agreed offer from Grand Metropolitan
Spafax Television	148	+23	150	90	Agreed bid from Aspen Communicate
Tarmac	438	-36	514	344	Dull Building sector
Viewplan	55	-25	100	55	Poor results

A dying breed

THE FLOTATION of Omnitech next week will mark a revival for what had appeared to be a dying breed: the USM start-up

Aylesbury-based Omnitech will be seeking about fim in new equity to fund the promotion and marketing of what it claims is a revolutionary packaging machine used mainly for foods such as chocolates and biscuits.

Called Omnitrac, this machine is said to be much more effi-cient than conventional models. It has now been developed to prototype stage and negotiations are under way to put one on test in a working environment Omnitech is unusual in that

it becomes the only start-up venture to have joined the USM this year. A few years ago, however, an issue like this would not have raised an eye-

expected to have a three-year lack of confidence in the prostrading record before coming to the junior market, but stock exchange rules were drawn up then is that they will run out to permit an exception where a company demonstrated the need for funds "to finance a and costed, and where the expected timescale before income started was not unduly protracted."

of this provision to seek equity funding for new ventures, but the number has gradually collapsed through lack of funds, dwindled to the point where Perhaps the most specacular Terry Garrett the provision seemed to be more start-up was Nimslo Inter-

priced \$200m in May, he may not have expected the shares

1985's 542m—and there has been a lot of buying ahead of

notional has been out snopping

Buoyancy in Reuters core

for Reuters' traded B shares in

Reuters' B shares.

Big Bang commissions cuts and markets-Europe and Asia-

or less dead. One reason for the decline is that alternative sources of funding for start-ups have proliferated over the past few years with the expansion of the ven-ture capital industry and the introduction of the business expansion scheme. Another is that as the USM has gained in maturity and respectability, it has increasingly been perceived as the wrong market for these higher-risk businesses: the over-

the-counter market is now seen as a more appropriate home. Perhaps the most important factor, however, has been the rough reception given to greenfield companies by investors whose patience has been severely tested by a series of disappointments and, in some cases, spectacular flops.

Many start-up companies tend to be optimistic about the time scale over which their projects will become profitable, and often have to go back to their shareholders for more funds. If the share price has

USM

UNLISTED SECURITIES MARKET

Companies are normally already been undermined by pects, however, this may not be a viable option, and the danger of cash and go under.

Stories of start-up misadvenneed for funds "to finance a project or product which could be shown to be fully researched Hesketh Motorcycles became one of the original 11 com-panies which constituted the junior market: many early rotracted." . punters ruefully recall how the that they had heard that one in the market's early days, would-be saviour of Britain's before. Wise investors will be many companies took advantage motorcycle industry suffered putting in no more than the production delays because of a can gracefully afford to lose in faulty gearbox and eventually the event that Omnitech's plans,

Perhaps the most specacular

should not be repeated.

DEE CORPORATION seems

1981 with the biggest market capitalisation the USM has yet seen_£250m. Unfortunately, the 3-D camera which the company was formed to exploit never took off, and the last set of results found the company blaming Hurricane Gloria for heavy losses in its portrait photography operations. Today, that market capitalisation is down to £13m.

national, which was floated in

Another cautionary tale comes from Xyllyx, the manufacturer of a coin-operated viewdata system which failed to win orders and whose shares have long been suspended. Synterials, the high-tech plastics company, never made a profit and was taken over by BBA last year at a fraction of its flotation price.

This is not to say that every USM start-up has to be a flop: Swindon Private Hospital, for example, has just managed to turn in a profit of £24,000 for the six months to January. But it does provide a difficult back ground for Omnitech's flotation

Gresham House, the invest ment trust which backed the company with £500,000 in ven ture capital four years ago argues that if Omnitech die not come to the market now i would have to wait until it ha a three-year trading record and the lack of access to equity funding in the meantime could hinder its development.

Gresham also says a class list of big industrial customer is interested in Omnitech' machine and that this is the one start-up scheme that is go ing to buck the trend.

Quite, but jäded punter: could be forgiven for observing snown go awry.

Richard Tomkins

are largely

ing into a market which has figures will allow Midland to the prospects of a bear market plus the continued expansion previously, caused so many problems in raise its interim dividend for the past. Despite the dilution the first time since 1982.

The prospects of a bear market plus the continued expansion will also leave Mercantile House in the US. where last year's academic exposed. As a consequence, acquisition Rich Inc should continued expansion previously, academic. acquisition Rich Inc should con-tribute \$11m this year, all Inevitably the analysts are already looking ahead to 1986 suggest that the group's growth 1987 and will be wanting indications of just how the US expansion is settling down. The rate will remain 30 per cent plus for the foreseeable future. when Mr Rupert Murdoch used the attraction of News International's stake in REUTERS to raise a finely priced \$200m in May, he may market, which has had some large doses of Dee equity to absorb, may be hoping fo signs that Mr Monk will take

above the 450p level.

Flowever, the City has concluded that Reuters' interims due on Monday will be better than just pood—at around £57m pre-fax, up almost a third on the concluded that the concluded that reuters in late March), then the 12 woolco superstores (£98m) the first six months of 1986, LEX SERVICE GROUI has sold off all of its transportation activities, which provided a sixth of trading profits in what was a rather depressed than just pood—at around £57m pre-fax, up almost a third on the concluded that the concluded that reuters' interims of the concluded that the concluded that reuters' interims of the concluded that reuters' In the first six months o

pre-122, up almost a third on Fine Fare plus Shoppers Para-1985's 5-22m—and there has dise supermarkets (£686m) and will not reflect this change been a lot of buying ahead of finally M & H Sporting Goods fully yet. The City's expecta-the figures. Even News Interon Thursday, up sharply from the £7.9m in 1985 thanks to a left over from its controversial E350m vendor placing. the £7.9m in 1985 thanks to a All of this means that Mr lower interest charge and a order to top up its holding so as to meet the potential demand from those who bought the bond—which can be converted from August 18 onwards into

COMPANY NEWS SUMMARY

Pinancial Times Deturdey July 20 1000

Corton Beach Booker McConnell

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TAKE-OVER BIDS AND MERGERS

					8 <u>. 19120</u>
Company bid for	Value of bid per share**	Market	Price before bid	Value of bid fm's**	Bidder
	rices in D	ance unles	s otherw	ise Indica	ted.
AE	17745		182	174.73	Turner & Newall
Altken Humes	150	136	158	68.80	Tranwood
Assoc Heat Stycs	490*5	490	440	39.20	Cie General de
TINGUL MONT IN					Chauffe
Authority Inv	130°	450	128	6.60	Messrs Backhouse
		_			Cmpbli & Lones
Authority Inv	500*§	450	400	1.57a	Berkeley Hse Grp
Barrie Invs & Fit	19	14₹	16}	18.27	Bestwood
Benford Concrete	68	85	88	15.08	Blackwood Hodge
Benf'd Concrete		85	83	19.96	BM Group
Bestobeli	544	518	408	87.61	Meggitt Hldgs
Biddle Hldgs	195*	185	165	7.80	Rone (UK) BET
Brengreen	· 451	47	414	29.63	BL I Trafalgar House
Brown (John)¶	25	25	23	67.66	Carleo Eng
Bruntons (Mbryh		67.	55	4.96	Angio Utd Dev
Burnett & Hallan		12	22	7.16	Boots
Clarke (Clmnt)¶	240*	248	240	19.20	Bank of Scotland
Com Bk of Wales		70_	76	16,80	Whitecroft
Eleco	131	137	140	21.88	Ladbroke
Gable House	208	207	203	16.10 10.28	Crowther (J.)
Gelfer (A. J.)	164	160	148	10.28 285,14	Next
Gratian	540†	528 127	454 94	91.99	BET
HAT Group Ind Scot Energy	120 90*	88	85	20.50	Texas Gas Explin
JSD Computer	150+	145	155	S.17	Hestair
Land Investors	76*	754	73	74,05	BCPH
Lugtu Investors Lugtu Indi Hidge		315	210	13.68	Thomson T-Line
Maybew Foods	1294	131	115++	17.59	Northern Foods
Midland Marts G		177	143	6.70	Oyston Est Agncy
Oldacre	183*	180	105	25.80	Unigate
Owen & Robinson		£36	800	1.61	Messrs Davies and Rainer
Paul Michael	164*5	50	16	1.21	Cleves
Prop Hldg & Inv	13745	142	145	108.50	Grevcoat Group
Rotaflex	490*	478	483	54.19	GTE Corp
Ruddle (G.)	300b	285	187	14.19	Grand Metrop
Slaters Food	200	190	190	14.62	Freshbake Foods
Spafax Television		148	133	6.06	Aspen Comms
Staffs Potteries		153	143	8.81	Colorell
Sanbean Wolsey		120	130	10.40	Crowther (J.)
Torre Crown	61	45	42	1 10	Corton Beach

*All cash offer. † Cash alternative. † Partial bid. § For capital not already held. ¶ Unconditional. **Based on July 25 1986. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ||¶ Loan stock. ‡‡ Suspended. || Swedish kronor. a Tender offer for 25.1 per cent of capital. b Uns. Loan Note offer.

PRELIMINARY RESULTS

80088

Tern Group Whitwth's Food¶

Company	Year to		x profit	Ear	nings* ner sh	Dividends are (p)				
			- •							
AAH	Mar		(11,250)	17.8	(12.6)					
Arlen	Mar	151	(6)		()		(—)			
ASDA/MIT	Apr		153,200)	10.1	(7.8)	3.15	(2.75)			
Ass Brt Eng	Mar	269	(1,750)L		(—)	_	(—)			
Astra Ind Grp	Apr	726L			<u>(—)</u>		(-1			
Bespak	May	808	(2,270)	4.5	(17.0)					
Bogod-Pelepah	Mar	216	(253)		(—)	0.31	(0.3)			
Bristol Even Pst	Mar	3,820	(3,000)		(27.5)		(21.5			
Brit Bloodstock	Apr	1,230	(1,570)	20.8	(23.9)	8.8	(8.0)			
Bromsgrove Ind	Mar .		(212)	6.0	(5.2)	1.3	(1.0)			
BTS Group	Мат	594	(564)	9.4	(8.2)		(1.5)			
CASE	Mar	14,730	(10,500)		(11.6)	0.45				
Dowty Group	Mar	47,610	(44,230)	14.4	(13.2)	5.5	(5.0)			
Dyson, J. & J.	\mathbf{Mar}	1,040	(728)	6.5	(6.5)		(4.0)			
Eiblef	Abr	603	(521)		(—)		(1.72)			
Equipa	Apr	1,240	(1,400)	13.5	(18.9)	5.0	(4.5)			
GUS	Mar		(260,790)	_	()		(18.0			
Grovebell	Dec	794	(1,300)	_	(—)	0.35	(0.55)			
Hill, Thomson	Jan	1,140	(1.490)	_	()		(—)			
Kenyon Secs	Mar	752	(343)	22.9			(9.38			
Norbain Elec	Apr	166L		_	(9.5)	0.7	(1.2)			
Parrish, J. T.	Jan	90	(248)L	, 8.2	(—)	_	(-)			
Quest Auto	Feb	365L		_	(2.1)		()			
Real Time Cutrl	Mar	413	(313)	3.4	(3.9)		(2.0)			
Sound Diff	Dec	 5,800 -		···	· · ()	0.5	(0.42)			
Stormgard	Mart	. 734	(45)	1.1	(0.7)	_	()			
Tex Hldgs	Mar	427	(341)	11.3	(9.2)		(3.5)			
Thorpac	Mar		(75)	6.2	(2.2)		(2.0)			
TOPS Estates	Mar	119	(62)	1.1	(0.9)		(0.63)			
Viewplan	Mar	367	(704)	4.0	(6.0)	1.26	()			

INTERIM STATEMENTS

	Half-year		x profit	Interim d	
Company	to	(2	000)	per sa	аге (р)
Automated Secs	May	4.300	(3.200)	0.66	(0.55)
Bensons Crisps	May	11	(48)L	_	()
Bullough	Маг	6,160	(4,700)	3.2	(2.7)
Burndene Inv	Mar	743	· (—)	-	()
Cons (Cmp & Fn)		S62	(—)	0.7	(0.2)
Control Tech	Mar	. 606	(356)	1.0	(1
Dewhorst	Mar	187	(166)	0.4	(0.35)
First Leisure	May	2,070	(1,330)	2.5	(2.0)
Goode, Durrant	Арг	780	(466)	_	()
Goring Kerr	June	1,020	(1,250)	3.85	(3.5)
Hill & Smith	Mar	839	(743)	1.3	(1.14)
ICI	June		(535,000)	14.0	(13.0)
Ladies Pride	May	13L	(138) L	0.5	(0.5)
Lowe, Robert H.	Apr	231	(130)	0.5	1)
Neil & Spencer	May	81L	(405)	_	(—)
Plasmec	June	140	(40)L	0.7	(1.9)
Saga Holidays	Apr	1,830L	(1,830)L	1.6	11.51
SGB	Mar	8,300	(4,000)		(2.3)
Tace	Mar	1 710	(1 ዊዊበነ	9 04	.0.1

(Figures in parentheses are for the corresponding period) * Dividends are shown net pence per share, except where

Acatos & Hutcheson-Offer for sale of 4.7m shares at 160p. Atlas Converting Equipment—USM placing of 2.5m shares at 120p.

Marina Development-Offer for sale of 5.5m shares at 110p.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

tax profits just shy of the heimer before its sale and from £200m mark after £151m last Alexanders, the discount house.

							- MUNEI	
	Quoted rate %		pounded reta r taxpayers at 45%		Frequency of payment	Tax (see notes)	Amount Invested £	Withdrawal (days)
CLEARING BANK*						_		
Deposit account	4.30	4.39	3.40	2.47	monthly	1		0-7
High interest cheque	7.20	7.40	5.73	4.17	quarterly	1	2,500 minimum	0
Three-month term	6.56	6.72	5.21	3.79	quarterly	1	2,500-25,000	90
UILDING SOCIETY!								
Ordinary share	5.25	5.32	4.12	3.00	half yearly	1	1-250,000	0
High interest access	7.00	7.00	5.42	3.94	yearly	1	500 minimum	
High interest access	7.25	7. 2 5	5.62	4.08	yearly	1	2,000 minimum-	0 0 0
High interest access	7.50	7.50	5.81	4.23	yearly	1	5,000 minimum	Ō
High interest access	7.75	7.75	6.00	4.37	yearly	1	10,000 minimum	Ō
Qn_rizv vsvsvsvsvsvsvs	7.75	7.90	6.12	4.45	half yearly	1	500 minimum	90
Premium	7.69	7.91	6.13	4.46	quarterly	1	10,000 minimum	90
IATIONAL SAVINGS	-							
Investment account	10.75	7.63	5.91	4.30	yearly	2	5-100,000	30
income bonds	11.25	8.41	6.52	4.74	monthly	ž	2,000-100,000	90
31st ssue‡	7.85	7.85	7.85	7.85	not applicable	2 2 3 3	25-5,000	30 90 8 14
Yearly plan	8.19	8.19	8.19	8.19	not applicable	3	20-200/month	14
General extension	8.01	8.01	8.01	8.01	yearly	3		8
MONEY MARKET ACCOUNTS				•				
Money Market Trust	7.11	7.24	5.61	4.08	half yearly	3	2 500	_
Schroder Wagg ,	6.73	6.94	5.38	3.91	monthly	i	2,500 minimum	Q
	7.66	7.93	6.14	4.47		i	2,500 minimum	0
Provincial Trust	1.00	1.72	U.	7.47	monthly		1,000 minimum	0
RITISH GOVERNMENT STOCKS								•
7 75or Treatily 1985-88	9.14	6.87	5.62	4.44	half yearly	4		0
Tone Treasury 1990	9.44	6.58	5.00	3.51	half yearly	4		ō
10.25nc Exchequer 1995	9.53	6.64	5.04	3.54	half yearly	4		ŏ
3nc Treasury 1987	6.93	6.04	5.55	5.09	half yearly	4		ň
3pc Treasury 1989	7.04	6.11	5.60	5.12	haif yearly	4	_	0
Index-ilinked 1990¶	7.71	7.11	6.78	6.47	half yearly	2/4		ň

* Lloyds Bank. † Hailfax. ‡ Heid for five years. § Source: Philips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

otherwise indicated. † For 15 months. L Loss. Tuesday, £85m pre-tax being and analysts expect a swing expected compared with £56.3m back into the black at Schweber. OFFERS FOR SALE PLACINGS AND

G-man	Announce-		vidend (
Company	- ment	Lest		his year
FINAL DIVIDENDS	014	int.	. Finel	int
m Group	Thursday	1.9	3.85	1,9
Iva Investment Trust	Tuesday	1.6	1.3	1.3
lade. Peter	Thursday	0.525	1,1	0.588
ray Electronica	Trurscay	0 736	2.23	0.957
ee Corporation	Tuesday	2.25	4.0	2.8
bbs New	Thursday	7.1	1.45	1.1
old Greeniese Trott	Tuesday	~~		_
regge	Wednesday	165	2.65	-
svelock Europe ,	Tueaday Monday	0.7 0.8 5	1.6	1.72
larier Estates	Thursday	0.85	2.05 3.0	1.0
forcentile House Holdings	Wednesday	4.0	9.0	4.25
lerrydown Wine	Monday	0.88889		
d Wyed Intel, Investment Trust	Tuesday	0.9	1.25	1.0
L. Holdings	Thursday	2.0	5.0	23
S International	Wednesday	~	0.1	0.5
lurray Smaller Markets Trust	Monday	Q.7	1.8	0.8
eepsend	Friday	_	Q.1	_
orton Opex	Monday	0.8	2.0	1.0
erkfield Group	Monday	O.B	1.6	1.2
CT Group	Thursday	1.6	1.6	1.6
ansom, William	Thursday	1.65	7.0	1.82
mith, David S	Thursday	1.0	2.0	1.4
tavert Zigomela	Wednesday	_	8,12	_
insley, Eliza	Tuesday	1.0	1.8875	1.0
omkins, F. H	Tuesday	0 275	1.475	1.0
R Trustees Corporation	Monday	1.2	2.5	1.8
forthington, A. J	Tuesday Wedpesday		70	1.25
itters	ecos1019	1.0	3.0	1.23
INTERIM DIVIDENOS				
argnson 8ms	Thursday	1.2	3.0	
MS Industries	Menday		0.825	
myle Trust	Thursday		1.0	
UIM6101	Tuesday	2.0	3.75	
ardiff Property	Friday	0.6	1 2	
rid Health Research Investment Ter	Tuesday	-	<u></u>	
ommercial Bank of Wales	Tuesday	_	24	
onsolidated Tem Investments	Friday	1.85	3 32	
	Monday			
ontinental Assets Treat	Mequesqua	3.6	5.75	-
S.C. Investment Trust	Tuesday	2.6 0.65		
J. Security Alerma,			0.85	
cobs. John I	Wednesday	1.4	2.2	
bsens Drilling	Thursday	-		
hrstone's Paints	Thursday	1.765	2.5	
urdan, Thomas	Monday	1 05	2.F25	
x Service	Thursday	4.1	6.5	
rearthys Pharmacouticals	Thursday	35	-	
diend Benk	Thursday	11.Q	14.5	
ount Charletta investments	Wednasday	0 53	6 R7	

1.15

RIGHTS ISSUES

INTRODUCTIONS

Associated British Engineering—To raise Film through a rights issue on the basis of one for one or 25 for each conv pref share held at 2p. Berkeley Technology—To raise £29.75m through a three for 20 rights issue at 200p. Blackwood Hodge-To raise £12.5m through a two for five rights

issue at 39p. Medminster-To raise £0.55m through a one for four rights issue Rock-To raise £1.2m through a one for three rights issue at

Tod-A one for five rights issue at 125p.



business card, to: Financial Times Conference Organisation Minister House, Arthur Street, London EC4R 9AX. Attamatively, telephone 01-521 1355 or telex 27347 FTCONFG

*Dividends are shown net pence per share and متكذا من الأنصل

Webber Electro Components

Figures for the first half of 1986 show a considerable growth of bourse activity over the corresponding period of last year, with securities transactions in canton Zurich of almost SFr 300bn. This reflects the hectic conditions in the first months, however, when business regularly proved too much for the city's cramped stock exchange and trading sessions had to be prolonged to well after the statutory time

An important factor in the recent downturn, which led to a loss of almost 55 index points since as recently as the end of June, has undoubtedly been the psychological impact of the Dow Jones nose-dives. Lower equity prices in New York generally set the scene for similar developments in Zurich. However justified these may be, they are expected by the

US SHARE prices stabilised this week after the sharp slide of the previous fortnight; and

bopes began to rise that per-

talking in terms of the market,

as measured by the Dow, trading in the 1750 to 1850 range

for the next few weeks until

the investment outlook becomes

The unbridled optimism of

early July has given way to considerable uncertainties as

doubts have risen about the

strength of the economy, the

pace of corporate profit growth.

the outlook for the dollar, and

over the next few weeks sent

a little clearer.

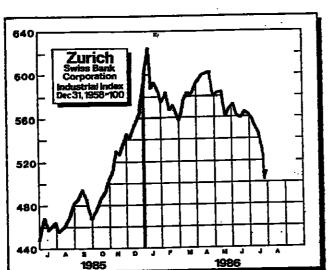
days, had run its course.

Equities in the doldrums

ly significant among them is under the 80-centime parity for the continued fall of the dollar, the first time since early 1984

on Tuesday, By midweek, the nature of self-fulfilling pro- SFr 1.72—the lowest point venes.

Swiss Bank Corporation index phecies. There are several other con- time, the Swiss franc is unsiderations over and above this usually strong in terms of follow-my-leader reaction which other key currencies, first and have depressed Swiss share foremost the mark. There are quotations, though. Particular- fears that this could drop to



Misgivings on the foreignexchange front, linked with similar uncertainties as to the development of interest rates. have led potential investors to and see what happens wait The uncomfortable firmness of the national currency is also viewed (not unnaturally) as a disadvantage for Switzerland's export-orientated manufacturing industries. All this is taking place in the summer doldrums when not much business goes on, anyway. so that even modest sales have a disproportionate effect on

market with so few buyers. The situation is aggravated further by the influx of new equities, especially as a result the upprecedented flood of (non-voting) participation certificates. According to Credit Suisse estimates, total share issues in the first half amounted to more than SFr 4.06bn, as against only about SFr 1.4bn for the January-June period last year. Twelve Swiss and foreign equities were listed in Zurich for the first time in the first six months of

Observers of the Zurich scene are not expecting any major recovery, certainly until investors have a clearer reading on exchange and interest rates. Nor would it seem

Switzerland

logical for the indices to return to the exaggerated level of this

For all that, there is a lot going for Swiss equities. The drop in prices has meant an increase in yield on the basis the SBC index from about I.8 per cent to 2.2 per cent over the past six months. This compares with an annual inflation rate which fell to a mid-year level of no more than 0.8 per

In addition, the very strength of the Swiss franc which is causing concern to exporters also promises attractive currency gains for foreigners and removes serious translation-loss risks for domestic investors.

First-half reports of major

companies have also been ger erally encouraging. The banks particularly are obviously head-ing for yet another bumper year, which, in the light of their recently more flexible dividend policy, could conceivably mean more for the shareholders again. The chemical companies have all announced apparent drops in sales for the first half; but these solely reflect the appreciation of the franc and 1986 looks like being at least a satisfactory year. The engineering industry has not yet fully recovered from the recession of the early 1980s

but is doing increasingly well. In April, Bank Vontobel foreyear's profits of 110 listed Swiss companies and a 13 per cent increase in their dividends. How reliable these estimates are: not least in view of the rocketing franc, remains to be seen. It does look, though, as though the country's gross domestic produce will improve by something like 2 or 3 per cent in real terms in 1986, reflecting an overall substantial growth in corporate activity.

With share prices still only a couple of days away from their lowest in eight months. this might well be a good time to get in at a level rather closer to the bargain basement.

John Wicks

Gold diggers

WELLEND TITLE

HALLO, Moley," I said, "haven't seen you for quite a The furry friend helmet lamp to reply for a

stuck in the tube?"

That did it. "I presume," replied Talpa Europoea, with a discainful twitch of the whiskers, "as how you are referring to my tunnel-ling. Well, let me tell you that we of the family Talpidae know how to dig 'em. We don't get

"Still," he continued, " I must say that while I've been away a lot of things seem to have been going down the tube, in a manner of speaking."
"Like falling prices of UK

industria! shares? "Yes, I don't like the look of a market that seems to lose interest in good news but responds to the bad variety. Then, there's the fall in the value of the pound.

"Doesn't look so bad against the dollar but that's only because Yankee money is weak, too. I tell you, I noticed the difference when I changed some sterling for Deutsche Marks in Frankfurt last week."

That made me think. Why, mused, should a mole need Deutsche Marks or, for that matter, any other kind of money? To buy batteries for his miner's lamp, perhaps? "You're not listening, are

vou?" reproved the mole. "Sorty, Moley."

"All right then. I was about to add that while lower oil prices may have triggered off the fall in sterling, a powerful adverse factor in the background is the uncertainty about the outcome of the next general election and that one's going to be with us for some time yet. So, with these factors plus

other political problems, such as the South African situation, thrown in, it is not surprising that some investors in UK equities have been taking profits while the going is good."
"Could be happening in the US as well after the big rise in

that market," I suggested. trouble," replied the mole. against the Japanese yen and to a five-year low against the

locking uneasy and, incident-

Deutsche Mark. "That worries the Germans rency, they are getting less for their dollar exports when the money is brought home. So, their share market has been

William Hall ally, even the one in Japan has had a tremor.

"that we are in a situation where uncertainties of one sort perched on my desk was too or another are upsetting curoccupied with switching off his rencies all over the place and, at the same time, there is a lot of money about which isn't too

Facetiously, I added: "Been sure where to go. "And when money starts to get uneasy, where does it turn to for shelter ?" asked the mole,

triumphantly. "S'right," said Moley. "Only a month or so ago, most of the experts were agreed that the price of gold was underpinned by a good industrial demand. But they could not see it rising much in the absence of the investment buying which is usually prompted by inflation

"Now ther're not so sure especially after this week's little flurry in the price to \$355 per ounce at one time. It soon came back, but some observers reckon it could move up again in the next few months. Meanwhile, I hear that Japanese and

Mining

Far Eastern demand for gold has been strong this year.

"David Williamson, of Shear son Lehman Brothers, is cautiously bullish," I said. "His firm's mid-year review of metal markets published this week sticks to the opinion that the bullion price will continue to rise 'very gently' for the rest of this year and could average \$400 in 1987. He is particularly keen on platinum, though, and so is Credit Suisse of Zurich.

"Agreed." said the mole. "Both metals offer a hedge against the present currency uncertainties and can be bought in the form of coins although, of course, these don't pay any interest.

"Still." I said. "if you are right, this loss of income could be made up by capital appreciation. But what about mining shares?"

"They would show a sharper "There's another currency in gain in the event of rising trouble," replied the mole, metal prices, but if the South "It's fallen to the lowest ever African issues are to be avoided there is little scope as far as platinum is concerned.

"There are plenty of non-"That worries the Germans South African gold issues. It because, with their strong curmight be worth looking at some of the Canadians, while the better-class Australian issues which have fallen back are also worth considering."

Kenneth Marston

Optimism gives way to doubt

haps this month's sharp correc-tion, which had knocked 7.5 per Thursday, the yield on long ment of the US gross national resultes underlined the patchy cent off the value of the stock dated government bonds had risen by more than 20 basis market in just eight trading points to 7.4 per cent, while short term interest rates had Share prices rose in the early part of the week and the Dow risen by around 10 basis points Industrial Average with six month US Treasury pushed above the 1800 level bills now yielding 5.87 per cent. several times. Analysts are now

Most of the sell-off in the boad market occurred after Paul Volcker, the chairman of the Federal Reserve, gave his halfyearly testimony to Congress ou Weduesday. As often happens, the financial markets had difficulty interpreting Volcker's smoke signals. However, the general conclusion was that he appeared to be hinting that there was no need for another discount rate cut in the near

future. interest rates. Oil prices have He also appears to be coming also been moving erratically ahead of next Monday's Opec round to the Administration's view that the rest of the indus-trialised world has to do more meeting, adding to the conflicting undercurrents that were very much in evidence in the to stimulate the international various sectors of the fluancial economy, and to be less worried about a collapse in the dollar markets in New York this week. which this week temporarily In the credit markets, condropped below the Y155 level

ment's huge borrowing needs on Monday. The big economic news of the bond prices tumbling. By

product figures, which showed that the economy grew at an anaemic 1.1 per cent in the second quarter. This was well below the 1.5 per cent forecast and is the weakest performance

since late 1982. On the other hand, the firstquarter GNP growth rate was

Wall Street

revised upwards from 2.9 per cent to 3.8 per cent and the ever-optimistic Administration is now upgrading its 1987 growth forecasts to around 4.5 per cent a year. This is nearly wice as fast as the growth rates being pencilled in by many Wall

All of this is making analysts rather gloomy about the outlook for corporate profits and the latest news from the corporate sector has not been par-ticularly encouraging this week. Most of the major companies rehave now made their announce-

performance,

General Motors' shares dropped sharply after it reported a 21.5 per cent fall in its second-quarter earnings per share to \$2.81. Chrysler's earnings were also down by 6 cents a share to \$3.29. However, Ford's earnings jumped by 61 per cent to \$4,02 a share and the numbertwo US car giant now makes more money than GM, even though its second-quarter sales of \$17.3bn are \$10bn less than those of GM.

Roger Smith, GM's chairman, says his company is facing cost pressure as it revamps its technology, systems and organisational structure "in the face of unprecedented worldwide competition." He remains optimistic about GM's long-term outlook and says that any car-maker which "foruses only on shortterm profits jenuardises its competitiveness in the long However, analysts are run." scentical and GM's shares are Most of the major companies re-porting second-quarter earnings level, which is where they were six months ago, when the stock week was Tuesday's announce- ments and this week's batch of market was almost a fifth lower. the US. Today, the figure is

Wall Street's brokerage firms have also posted widely differing performances for the second quarter. E. F. Hutton suffered fresh ignominy this week, by reporting a \$4.7m second-quarter loss after heavy hond trading losses in May. Salomon also notched up some hefty bond trading losses in May but this only dented its performance and for the first half of the year its earnings are 7 per cent

The recent drap in oil prices

ahead at \$2.05 per share.

also continuing to wreak havoc in certain parts of the corporate sector. Last week, it was the banks that were feeling the pain. This week, it has been the turn of the oilfield service companies. Hughes Tool which issues a weekly count of barometers of the health of the oil industry - reported a \$446m second-quarter loss and slashed MONDAY its dividend for the second time TUESDAY in two years to a token 2 cents

Four years ago, there were 4.500 rigs drilling for oil in



Roger Smith of General Motors

drilling rig activity that is one around 660, its lowest level of the most closely watched ever; and if oil prices drop into single figures, the number will go still lower. 1779.11

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The application list to the Sixth Fund is now open and applications will be accepted in order of receipt up to 13th August, 1986. The maximum size of the Fund will be £4 million and the minimum £1.5 million. Minimum investment is £2,000 and maximum £40,000 per subscriber.

To obtain further details of the Sixth Fund, please telephone Jane Lamont on 01 588 2721 or clip the conpon below.

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To: Lazard Brothers & Co., Limited Lazard Development Capital Limited 21 Moortields, London EC2P 2HT Please send me a Memorandum on The Sixth Lazard Development Capital Fund

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Investments in unquoted compo carry higher risks as well as the chance of higher rewards. The existence of these risks is one reason why tax telicls are granted in

This advertisement does not constitute an invitation to subscribe to the Fund; applications to subscribe will be ecepted only on the basis of the terms is set out in the

Lazard Brothers & Co., Limited

and earnings pershare Results for the first half of 1986

	Six months ended 30 June 1986	Sie mondin ended 50 km o 1985	To the month- ended A December 1987
Profit Before Tax	£335 million	£264 million	£561 million
Profit After Tax	\$214 million	£141 million	£331 million
Post-Tax Return on Average Total Assets	0.97%	0.64%	0.77%
Post-Tax Return on Average Equity .	17.8%	13.5%	15.1%
Earnings Per Share	40p	27p	62p
Dividends Per Share	6.25p	5.00p	14.00p

The main features of the first half of 1986 were:

- ☐ Record profit and earnings per share.
- A significant strengthening of our equity base.
- ☐ Cost and tax savings from the merger of Lloyds Bank Plc and Lloyds Bank International into
- A substantial improvement in international

Sovereign debt provisions strengthened.

econom

"After an acceleration in performance last year, this halfyear shows a further advance, with post-tax profits 52 per cent up on the first half or 1985, and 13 per cent up on the second half. With good growth in earnings and strong dividend cover, we have been able both to improve our capital base and to increase the dividend." Further details of Lloyds Bank's results for the first half

of 1986 may be obtained from: Corporate Communications Division, Thames Tower, Princess House, 152. 156 Upper Thames Street, London EC4R 3UJ.



ATHOROUGHBRED AMONGST BANKS.

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IV WEEKEND FT

t mancis

· FINANCE & THE FAMILY ·

MANY PEOPLE must have has been set up in Bristol (PO ing for shares, Sir John Read, time to prepare for the actual noticed a sudden spurt in adverBox 330. Bristol BS99 TTS, tel the chairman, says: "We are pricing in the final prospectus. tising for the Trustee Savings Bank on TV and in the papers this week. All sorts of unlikely folk wearing bowler hats, such as car mechanics, ballerinas and bables, have been urging us to own a bank."

months behind schedule, the £1bn flotation of the TSB is back on the road. The legal wrangles which delayed it have been sorted out, and the great day is now slated for mld-September (the exact date has not been disclosed but it will probably be in the week of September 8.)

In promotional terms, the UK's largest bank flotation promises to be a real blockbuster. The TSB wants more than a million shareholders and it will be spending more than £30m on publicity to draw them in. This makes it second only to British Telecom which had

NATIONAL SAVINGS' new

index - linked certific 'a. announced last week, has done

a good deal to restore the

somewhat tarnished reputation of "inflation-proofed" invest-

ments which have in recent

years done rather worse than

Offering 4.04 per cent real

annual interest on top of the

increase in the Retail Price Index (RPI) over its five-year life, the new Fourth Issue

Index-Linked Certificate will

fixed-interest certificate-which

averages more than 3.81 per

How does it compare with index-linked gilts, which are

the other form of inflation-

proofed investment offered by

were introduced in 1981, these

have under-performed almost

all other types of investment.

While their value is inflation-

proofed if you hold them until

their maturity dates, their

prices in the stock market have

often failed to keep up with

Mark Cliffe, chief economist

Myers, calculates that, for most

people, index-linked gilts would

offer a good bet unless inflation

stays very low. The index-linked gilt which matures in

1990, the closest match to the

stockbroker Capel-Cure

the RPL

Government? Since they

their fixed-interest rivals,

invest-

David Lascelles reports on the preparations for Britain's Internant hank flotation The balloon goes up

0272 300 300) to handle what the TSB hopes will be a flood of inquiries. It has already received half a million, and all callers will automatically get a prospectus and application form nearer the time. Information is also being put out through the TSB's branches.

The media blitz is specially vital since the run-up to the flotation coincides with the peak holiday period, and many potential investors could fail to get the message altogether.

The TSB is reserving about half the shares on offer for its own staff and customers who had opened accounts by December 17 1984. But to get on the priority list, those customers must register by sending a special card (available from the information office or TSB branches; by the information

equally keen to attract a wide response from the general

the flotation itself. But more information should come out during the run-up in the weeks a huge army of small investors.

The TSB has promised for example, that there will be "special offer features" to be disclosed next month. It has already been announced that shareholders will be able to

The minimum amount of shares that investors can buy will also be decided in the coming weeks; this will be low enough to draw in the small investors which the TSB is

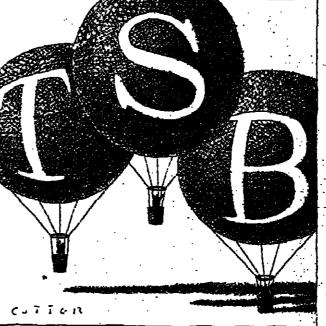
Although no one will be able to say definitely whether the TSB is worth subscribing for The full terms of the issue until that price is known, few and the pricing will not be people in the City doubt that known until a few days before it will be attractive, if only because the TSB has laid so much stress on drawing in such

The biggest doubt in the Citr's mind is whether the TSB will find something useful to do with the Ilbn it raises. gilts. Sir John says the TSB has given a lot of thought to that, pay for their shares in instal- but he is not prepared to be ments, half at flotation, half a specific about his plans just now. In a recent report on the

> Drew said the recent expansion of its lending activities justified its claim to be "The fastest moving bank in Britain." But the group, it says, "runs the

that the flotation is coming—an unusually high figure. The figure for TSB customers was figure to the others.

Of those who knew about it, figure for TSB customers was figure to TSB would make a good in to British Telecom which had about 2.3m shareholders on flotation. The same agency. Dewe Rogerson, is handling the advertising and public relations. A share information office.



Inflation proof?

five-year life of the new of an election campaign. National Savings certificate, will do better for the basic rate taxpayer if inflation averages over 3.1 per cent. The present

rate is 2.5 per cent The 1988 gilt does even better. Break-even point against the index-linked certificate give a better return than the comes at 2.4 per cent inflation 31st Issue National Savings for the basic-rate taxpayer. For a 60 per cent (axpayer, inflation pays 7.85 per cent a year over has only to exceed 0.4 per cent five years—so long as inflation for the gilt to be a better buy.

With index-linked gilts, however, the inflation proofing is calculated using the RPI from eight months before the actual this would mean that you would "Although calculating be unprotected if inflation such a risk premium should be unprotected if inflation such a risk premium should be is not easy, a level of 1 per cent maturity date. For the 1988 gilt. when the gilt finally maturesand this could be in the heart fication." says Dr Richard Gold-

Index-linked securities are in some ways most closely comparable with shares and property. because the returns on these investments may also he expected to be related to infla-

premium is usually expected for matters. hem, sometimes expressed by the "real yield gap." This is the difference between the yield on the FT Actuaries share index. an average of quoted company share yields, and the yield on index-linked gilts.

and has some theoretical justi-

BREAK-EVEN INFLATION RATES (%) FOR INDEX-LINKED GILTS AGAINST NATIONAL SAVINGS 4TH ISSUE CERTIFICATES

	Non- taxpayer	Basic rate taxpayer	Top rate taxpayer
L 2% 1988	5,9	2.4	0.4
L 2% 1990	6.1	3.1	2.1
2% 1996	6.2	3.5	1.5
L 21% 2011	5.9	4.0	2.6

A high guaranteed monthly income from gilts.

ing of stockbroker Kleinwort Grieveson.

"The reasoning is that on a long term historical perspective. equities have tended to return just over 4 per cent real. Looking back to the real returns on yields on nominal gilts in past periods when there was not much inflation, one finds that 3 per cent or just over was a typical yield. Therefore. 1 per cent does historically em to have been a typical risk Because the return on shares premium before recent high are usually more volatile, a risk levels of inflation confused

> The real yield gap is now running at around 0.5 per cent —and it was negative for a short time earlier this year.

Dr Golding points out, however, that index-linked gilts, unlike equities, do not participate in the growth of the economy; and he concludes that at present levels they can be neither outstandingly cheap nor widely dear.

For one group of investors, hough. index-linged gitts though. excellent value. Higher-rate taxpayers. benefiting from the fact that the inflation-proofed capital gain on their gilts is tax-free, can lock in a superior return on index-linked gilts even if they think inflation is going remain lower than today.

George Graham

Offshore fund of funds THE Midland Bank, through

its Jersey subsidiary, is launching on August 4 an off-shore "fund of funds" aimed at expatriates, working or living outside the UK. The Offshore Managed Portfolio will invest in a selection of 10 Midland Bank unit trusts and offshore fixed interest and bond funds. The selection of the funds used will be varied by the managers to reflect changing conditions in the world markets and there will be no charge for such switching. However the prime objective of the Port-folio will be for capital growth, with all income

rolled up in the share price. Investors overseas returning to the UK will have the option of a free transfer into the Midland's managed portfolio unit trust. Transferring in this way to the UK "sister" fund could benefit anyone liable to capital gains tax. In effect, you are taking the gain made, and tax liability on it, out before returning to Britain and becoming subject again to UK tax. The minimum investment is £1,000 or £50 a month under a regular savings scheme. There is an initial front load charge of 5 charge of 5 per cent and an annual management fee of up to 1 per cent of the share value_

The initial fixed price offer of £1 per share is available from August 4 to 18.

A five year high income bond has been introduced by the Anglia Building Society. The Bond pays a guaranteed 2 per cent extra interest above the Society's share account rate, plus an addi-tional bonus that will vary according to market conditions - presumably dependent on the Society's current

cash flow. The additional bonus has been fixed at 0.6 per cent initially, so the Bond is currently offering a return of 7.85 per cent (11.08 per cent gross) or a compounded annual rate of 8 per cent (11.27 gross). Interest is paid bull-return or compounded to the compounded of the compounded compounded to the compounded compoun half-yearly or on a monthly basis. Malmum investment is £1,000 and you have to give 90 days' notice of withdrawal or you lose 96 days' interest. on the amount withdrawn. The minimum amount that can be withdrawn is £250, provided that a £1,000

Meanwhile fucreased interest rates nonneed by another two building societies effective from August 1. Yorkshire Building Society is lifting its Platinum Key account rates to 8.25 per cent (against 8.1 previously) for investors with £19,990 or more, and 8 per cent (7.9) for balances

below £10,000. Fastbourne Mutual Society is to pay 8.25 per cent on its Sovereign Share Account, but minimum balance required is only £500.

Cheltenham & Gloucester claims it is still the best bet for large investors, offering 8:35 per cent compounded annual rate (8.03 net) on its premier monthly income account with a minimum of £19,000. No withdrawals can be made in the first six months of opening the account, but thereafter they can be made without notice

Premium Life Assurance has increased by 0.6 per cent the rate of return payable on its 3 to 5 year guaranteed income bonds. The new rate is 7.7 net of basic rate tax, on a mini-mum investment of £1,000. If you want a monthly income you will receive 7.5 per cent net, on a minimum invest-ment of £10,000.

Another bid to woo back investors to building societies comes from Abbey National. From Monday "for a limited period only" the society is offering a gittedged bond-share, which pays 3.25 per cent extra over the variable share rate for a guaranteed period of two years. The curcent, so at the moment investors will receive 8.50 per cent net, equivalent to 11.97 per cent gross for basic rate taxnavers. The amount payable, however, will fluctuate in accordance with movements in the share rate—the only guarantee is that you will receive a generous 3.25 per cent above that rate.

Minimum investment in the ndshare is £25,000. It will not be possible to add to the initial investment but partial withdrawals will be permitted provided a minimum balance of £25.000 is retained in the account. At the same time 90 dava notice of withdrawais is required.

Rarelays Bank has launched a fixed, and floating, rate longterm lending scheme aimed primarily medium-sized Flexible Businessioan, as it is called, will provide loans of over £15,000 for up to 20 years for any business need. It is an extension of the Standard Businessioan scheme intro-duced last November which provides fixed-term leading of up to £15,000 over one to five years. Under the new scheme, business customers will be able to horrow for longer periods with the choice of either a fixed interst rate or one linked to hase rate or Liber (London interbank offered rate).

A little extra Margaret Hughes finds banks."

the Halifax expects few rapid changes in building society services

YESTERDAY, THE ' new Building Societies Act received Royal Assent. This new legismajor changes in the structure direct debit to your account.

of building societies for more than a hundred years. Most of the changes will come into force in January 1 next year. It will allow the societies to and intend to be a major force."

It will allow the societies to and intend to be a major force."

you walk into your local branch the next morning that it will look radically different or that you will suddenly be showered with a plethora of new products and services. That, at least, is the view of Mr John Spaiding, chief executive of Britain's largest society, the Halifax, who has also been a prime mover in putting the industry's case for new legislation.

The Halifax, like all the other societies, is keeping its future plans_close to its chest, not least because it still has to gain approval from its members to allow it to move in to the new areas. In late November the Halifax will spend £1m to call a special general meeting when 75 per cent of those voting either in person, or by proxy, will have to approve the Board's desire in principle to utilise all

the new powers. In John Spalding's view it will be a process of evolution. "We vant to be allowed to adopt all the new powers but we can't do everything at once," he says. After years of restraint the new legislation will "set the tiger running but we must not fall into the trap of becoming a second-class bank". He anticipates that on Day One his society will start to offer personal loans of up to £5,000 — the limit permitted by the new legislation. Initially, at least, these icans will be linked to house purchase and therefore extended for financing furniture and fittings only. He expects that because his

society will be lending to customers whose creditworthiness has already been established through their mortgage application, they will be able to undercut the rates offered by banks on their personal loans. But he is realtistic enough to recognise that societies will enjoy this competitive edge for a limited period only. Banks have already sharpened up their personal loan terms and will inevitably respond to the competition

In time Mr Spalding, whose society is adopting a relatively cautious approach compared with some societies, expects to move into a much wider range of consumer lending.

Though the Hallfax was the first society to offer a cheque book account—as long ago as he does not intend to expand much on this front ("It's far too expensive") beyond offering a cheque guarantee card, which societies cannot do now. The only future role he sees for cheque book accounts is those offering a high interest with a chequing facility.

If you want to run a current account at the Halifax into which you pay your monthly salary, which Mr Spalding hopes you will, it will be linked to its Cashcard where he sees much John Edwards greater scope for development

and where our technology is more advanced than that of the

WEIGHTAN FI 1º

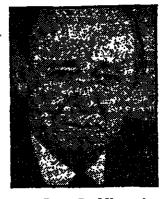
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Your Cashcard wifich will act as a cheque guarantee card as well as cash dispenser card, will also give you access to overdrafts and other related facili-ties. Ultimately you will be able to use it as a point of sale card where you will be able to lation, represents the first pay for your retail purchases by

direct debit to your account. undertake all sorts of new but again it plans to do so only activities which they have been prevented from doing until now.

But don't expect that when but to be a find of the linked to house purchase. "On Day One you'll be able to go to the Halifax to the provided to the linked to house purchase." take our house and contents as well as life insurance but you'll have to wait a hit longer until you can buy your car or travel



Mr John Spalding: A process of evolution

Though the Halifax aims to move into the stockbroking arena—selling stocks and shares, unit trusts and personal equity plans (PEPs), as well as providing investment advicethe Society will not be rushing in until it has acquired the necessary expertise.

Mr Spalding expects the Halifax's over-riding commitment to remain with the housing and house purchase market rather than banking, "though popular banking will be an inevitable offshoot." He adds: "We will not be a main-line City institution; the new Act limits us too savagely for that."

As soon as it is allowed to the Halifax plans to buy land for development with the aim of providing 3,000 homes a year by 1990 in areas of need. for sale or rental. Mostly this will be sheltered or fragile sheltered housing where the ability to extend index-linked mortgage will be a major advan-tage. "Once we can own protage. "Once we can own pro-perty (other than our own shared ownership offices). schemes will be much more

The Building Societies Bill will allow societies to:

to £5,000. Offer second mortgages Provide estate agency surveying services. Offer cheque guarantee

cards and overdrafts. • Offer all-round insurance • Help customers buy and

• Give index-linked or equity mortgage loans, Participate fully in shared ownership schemes

• Develop, own and manage residential land. Own subsidiary companies. • Lend in the EEC and other countries and



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To: Barlow Clowes & Partners Limited Warmford Court, Throgmorton Street, London EC2N 24T. Telephone: 01-256 6433 Please send me details of PORTFOLIO 30 together with a personal quotation of the income I can expect to receive. Income required: Monthly Quarterly Half-yearly Armally Period of investment ______ years (minimum 5 years/maximum 10 years) Amount available for investment £ "If you are seeking a high return and have more than £5,000 to invest. please tick the box and we will send details of suitable insestments.

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up to £5,000 directly into gilts. These are held by an independent

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(known as gilts) are exempt from Capital Gains Tax.

custodian and you would be the beneficial owner.

quarterly, half-yearly or annually.

capital gain which can be paid without deduction of tax.

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of the British Government. We invite you to send for a personal quotation, which will show the precise return we can guarantee you.

are in the Netherlands will be

frozen and all the money

distributed among their victims. Even then, the amounts avail-able may be small compared

with the losses. Most of the

money will have been trans-ferred to other banks outside

Europe, and probably then onto money laundering centres.

have already shut down and disappeared. Their offices in

Amsterdam are locked up and

no one answers the telephone.

The largest of the deserters is

Capital Venture Consultants.

the promoter of shares at mas-

sively inflated prices in Porti-

subsequently

Federal Ventures.

nax.

Some boiler room operations

- - - White Parkers FI

irtue rewarded

Ethical investment, once dismissed as crankish. is now profitable and increasingly attractive, reports Eric Short

A NEW BREED of investors is about to appear in the UK, according to economist Giles Chitty, chief executive of The Financial Initiative—the institution which channels venture capital into new socially desir- outperformed the FT-Actuaries able industries.

These investors are not just concerned with the return on their investment. They want to know where the money is invested and where the return ethical investment

Until recently, such investors were regarded by the market as slightly eccentric and ignored by the more serious investors.

However according to a report by Chitty, socially screened investment is now big business in the US—some \$50bn or five per cent of all stock traded on Wall Street.

His report concludes that the demand for ethical investment funds and services is about to take off in the UK, boosted by the implications of the Chernobyl nuclear disaster.

People's requirements for ethical investments come in a variety of forms—political (no investments in South Africa), environmental (no investments in companies polluting the environment) or moral (no investments in arms, tobacco or

However, investors now seem to be moving from these negative criteria to a more positive approach in encouraging or even demanding that their investment in companies is used towards specific purposes, such

against any form of ethical last week, financial counsellors investment was that restricting the choice of the investment manager would invariably result Fund-a single premium bond in poor returns. This myth has been laid to rest by Friends' Provident Life Office, its unit trust subsidiary being pioneers in the field of ethical investment with the launch in June 1984 of the Stewardship Unit Trust.

This fund has consistently All Share index since inception, rising 32.2 per cent in the 12 months to May 1 1986 against a 31.2 per cent rise in the index. To Friends' Provident's slight embarrassment this fund has done better over the period than its Equity trust.

Ethical funds are not likely to lead the performance tables because of the restrictive market. Neither are the main unit trust management groups likely to rush into this new area unless there is an over-whelming demand, not because of investment attitudes, but because the costs of checking that stocks meet the ethical requirements are significantly

Fund managers can relieve themselves of this chore by using EIRIS—Ethical Invest-Service. This body has for many years provided a service for checking out companies and stocks according to criteria laid down by the client. But it is

Nevertheless, the Stewardship Fund had by the end of last month reached £22m with a steady flow of new money com-

But now investors have a choice of funds. Last week, Buckmaster and Moore, the stockbroking sub-sidiary of Credit Suisse, the Fellowship Trust

D. J. Bromige and Partners launched its Ethical Investment underwritten by Royal Heritage Life Assurance (formerly Lloyd's Life Assurance), a (formerly member of Royal Insurance Group.

Investors going into ethical investments will find that very few of the major multinational companies pass the screening test. The largest companies in the Ethical Investment Fund are British Telecom and Britoil. After that the fund is investing in stocks such as Clifford Dairies, HTV, Austin Reed and Sunlight Services.

Thus, ethical means investment in medium and small companies and is at present confined to the UK. However, since this subject is far more advanced in the US. there is no shortage of information should fund managers to extend ethical investment there.

Trade unions have been making considerable noises about pension funds investing ethically. Yet the response to the pension fund version of the Stewardship Fund has been dis-

Trustees may well feel that the McGarry judgment on the Mineworkers' pension fund may inhibit them in this field Provident has taken counsel's opinion on this judg-

The view given was that the iudement only prevented trustees from going into investment areas that they knew would underperform. Friends' Provident has demonstrated that ethical investment does mean underperformance. perhaps more pension scheme trustees will become interested.

THE MANY thousands of investors in the UK and elsewhere based telephone salesmen into buying speculative shares of doubtful or negligible value at infiated prices now have little prospect of retrieving their

In May, the Dutch police raided the offices of many of the "boiler rooms," as the share-pushing companies are called, and seized documents. The companies have been set up over the past three to five years, mainly by Canadians and with criminal backgrounds.

At the same time, the Dutch

authorities have introduced

new regulations for securities firms requiring them to obtain licences. Firms that intend to continue operating had to submit applications for licences by the start of this month. Applications have been received from about 25 including First Commerce Securities, the largest of all the hoiler rooms. It has taken an estimated \$300m (£200m) over the past three years from the public by selling shares in DeVoe-Holbein, a Canadian company that claims o have developed a metal extraction process but which

Dutch police have cracked down on the share scandal that netted millions, writes Clive Wolman

The boiler room bust

has yet to show any profits. Over the past three years, many investors have said that have been frustrated. they have been frustrated by a series of excuses when they in DeVoe Holbein back to First Commerce Securities, which has been the only market-maker in the shares for most of the time. Telexes and letters giving instructions to sell have supposedly been lost. And when callers, brushing aside the arguments of the First Commerce salesmen, have insisted that their shares should be sold they are told that the market has dried up or find that the price quoted by First Commerce

Since the police raids early in May, more investors have

has suddenly dropped dramatic-

ally.

As far as they are concerned, their best hope must be that First Commerce will be granted a licence and submit itself to what ought to be a tougher regulatory regime. It may then find it more difficult to adopt evasive tactics when asked to buy back the shares it originally sold to investors. However, as the shares were

sold at prices many times in excess of any realistic value, their "sell-back" prices are likely to represent a substantial loss for the shareholders. A more likely result is that

First Commerce and its fellow applicants will be refused licences. They will then either shut shop or decamp to another

tried to sell their shares back country where the regulations to First Commerce and more remain lax. One possibility is Spain.

Madrid already plays host to a few boiler room operations of North American origin that have been set up recently. Another possibility is Luxembourg, which also has the attraction of a stock exchange with listing requirements that other European countries.

impossible to sell back their shares or to recover any of their money, unless the underlying companies start making substantial profits as predicted. And that is a remote prospect. The only other hope is that the boiler room companies that

The company has invested in everal speculative ventures several which have yet to show a profit and is managed by David Winchell, a convicted Canadian fraudster now living in Miami. Two other companies that In that situation, former have failed to apply for a licence investment clients may find it Tower Securities, which promoted the shares of

Seekers International, a Canadian mining company. · and European Computer Group; and United Consultants, the moter of shares in a UK company, Colt Computers.

Unit trusts adding up

Unit trusts are doing record business, even though returns can be erratic and insecure. John Edwards reports

THE UNIT Trust Association this week reported record new business for the second quarter of 1986, with the inflow of funds in May and June exceeding net receipts by building societies for the first time.

The table shows why unit trusts have become so popular at the expense of building society and bank deposit accounts, although to be fair they are based on standard deposit accounts and not the special higher interest accounts that have become available in recent years. The security factor is also not taken into account. As has been illustrated vividly in recent weeks, share markets worldwide can be extremely volatile on occasions, and indeed during the past five years you would have done

building societies than to have any fundamental change of dir-put your money into Australian ection. or commodity and energy unit

The decline in the average return from Europe trusts from 15 to 10 years is a statistical freak in that only one European fund was available 15 years ago and its performance was some-what erratic. The figures are supposed to be based on the performance of a median (average) unit trust and are inevitably somewhat distorted when there were only a few funds available —such as 15 years ago with Japan.

The performance of unit trusts, of course, depends ultimately on the state of the stock markets. It is relatively easy to achieve a good return when share prices are going up and there may be a very different story if the long predicted worldwide recession materi-

At the moment, however, the consensus view among investment advisers is that the recent falls in various leading stock better in the safe investment markets, including London, are havens provided by banks and temporary hiccups rather than

John Greener, of Richards

John Greener, S. Longstaff, said they were by no sporehensive. They means apprehensive. They didn't rely on market indices as a guide, but were more concerned with yield, trade growth prospects. They had shifted a little out of the US growth prospects. into the Far Eastern markets and also reduced UK holdings slightly. Their specimen fund was also a bit more liquid, with 12 per cent instead of the nor-mal 5 per cent in cash. But they were not disinvesting, simply watching developments closely. Stephen Lansdowne, of Har-

greaves Lansdowne, said they were being a bit more cautious, taking some profits on stock market gains and increasing their exposure in international bonds, through for example the Abbey Worldwide Bond Fund. Internationally Japan re-mained a bright spot and was

likely to continue rising, in spite of the recent setback. which was bound to occur after the blg increase in values. On the UK market Mr Lansselectivity. The days of virtu-

Average realisation value of £1,000, with net income reinvested International North America 2,798 12,920 Australia Far East ... 4,144 7,355 Financial/Property 8,327 2,241 2,939 FT All-Share Index 7,610 Bank Deposit National Savings Certificates Source; Unit Trust Association.

UNIT TRUST INVESTMENT PERFORMANCE

ally picking shares by a pin, and still prospering, were over. However some companies were making a lot of money and corporate profits were set to rise by 15 per cent this year. With interest rates low, the possibility of tax cuts and government funding, the outlook looked good for after the summer months when the real invest-ment season resumed again in only 30 per cent invested in the UK and he was tempted to in-

John Bridel of Towry Law said they were not dashing into cash, although they were a little more liquid than usual at present. An increase in their international investments had helped shelter them against the decline in value of the £, and the fall in Japan had been nowhere near as steep in sterling terms. The UK market was being confused by a mixture of the start of a downward spiral

rising South

rpe as red.

Playing the gold card

Margaret Hughes reports one further by offering card-draft into a loan which you holders the option of converting might repay over five years or. on developments in the credit card field, and examines their interest advantages

ONE OF the attractions of acon which they are charged 2.5 per cent above base rates. New-At present base rate levels, the overdraft rate is 12.5 per sion. cent. This is considerably To cheaper than conventional over-24 per cent for those that are unauthorised and between 3 7 per cent over base

BEST PERFORMING UNIT TRUST

their overdraft to a loan at the same rate of interest. Neither sibly 10. Unlike a personal loan, American Express with its gold where the rate is fixed at the card, Barclaycard with its onset, the interest charged on Premier card, or Midland Bank with its Mastercard gold card, move in line with the base rates offer this facility.

For the cardholder, this opblown loan adds a new dimen-

to convert will be a matter for draft rate—now anything over negotiation between you and your bank manager, and will de-pend on the nature of your debt and your ability to repay. In the rates, where they are auth- case of NatWest, this will be orised. Gold card loans are also the bank manager with whom orised. Gold card loans are also cheaper than personal loan you operate a current account rates-between 19.5 and 19.7 per linked to your gold card. As far as Coutts is concerned, its gold and is available only to its ex-

isting customers.

to which it is linked.

Assuming, nowever, that rates matic overdraft at a favourable tion is a major plus. Gold Card stay at their present level, you rate of interest that goes with overdrafts are intended as would be charged 12.5 per cent it. Cardmembers have been short-term revolving credit at an APR of 13.1 per cent. able to draw on up to £7,500, facilities where you can borrow Thus, every £1,000 you raised up to the limit for, say, "stag- as a loan would cost you £22.43 ging" share issues and other a month to repay over five comers National Westminster short-term outlays where the years, or £14.56 monthly if you Bank and its up-market sub-borrower knows he is going to repaid over 10 years. This means sidiary, Courts, recently offered be able to repay fairly quickly. that your monthly repayment a higher £10,000 limit which The ability to convert this auto- on say, an £8.000 loan would be others are expected to follow. matic overdraft into a fully £179.45 if you repaid over five years, and £116.50 over 10 years.

This compares with monthly repayments on a personal loan (where the present fixed rate is 10.05 per cent at an APR of 19.6 per cent) of £25.41 for every £1,000 you borrow over five years, and £17.08 for every £1,000 borrowed over 10 years. On an £8.000 personal loan. monthly repayments would thus be £203.34 over five years and £136.66 over 10 years.

This means that if you used your gold card loan facility, you In launching their gold cards, Theoretically, at least, you would save something over £20 NatWest and Courts have gone could convert your £10,000 over- a month in repayments.

OVER 3 YEARS

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The table below records the performance of all new recommendations made in the second half of 1985. It outlines what gains you could have made if you'd been one of our subscribers. We also show the losses (we

don't pretend to be perfect). There are four of these out of 34 recommendations, and two are all-square. The average gain is 40.2%.

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How our selections have performed. List of ALL ICSL

Į	TREGEVITICAL	Í	l	Your share	ŧ
١	recommendations from	l _	% gain	value for	ı
١	July 1985 to Dec. 1985	Rec.	30.6.86	£1,000	l
Į	Company name	Date	,	invested	Į
1	Bassett Foods	11.12.85	+14%	£1,140	l
ļ	Simon Eng	4.12.85	+ 56%	£1,360	ļ
l	WATyzack	4.12.85	+27%	£1,270	l
١	Amersham I	27.11.85	+38%	£1,380	ĺ
١	Dewhurst 'A'	6.11.85	+129%	£2,290	I
1	Edbro	6.11.85	+25%	£1,250	Į
1	Media Tec	20.11.85	0%	£1,000	l
١	Magnolia	13.11.85	+62%	£1,620·	ı
ł	WW	20.11.85	+97%•	£1,970	ı
ŀ	Bridon	2.10.85	+61%	£1,610	ł
Ì	Bespak	30.10.85	+3%	£1,030	l
1	Chapman I	23.10.85	-10%•	£900	l
١	Albert Martin	9.10.85	+39%	£1,390	
1	Nurdin Pezcock	9.10.85	+16%	£1,160	ł
ı	Platignum	2.10.85	0%	£1,000	
ł	Sekers	23.10.85	+130%•	£2,300	l
l	Acsis Jewellery	18.9.85	-37%	£630	ŀ
I	Howden	4.9.85	+22%	£1,220	
ı	Macarthys Pharm	18.9.85	+109%	£2,090	
١	Ragian	11.9.85	+24%	£1,240	
ı	Sheldon Jones	25.9.85	-6%	£940	i
١	Weir	4.9.85	+34%•	£1,340	
١	British Land	7.8.85	+20%	£1,200	
ł	Brixton Es	7.8.85	+21%	£1,210	
İ	Carr Milling	28.8.85	+38%	£1,380	
ł	Forsayth	28.8.85			-
I	Greenwich Res	- 1	+9%	£1,090	
Ì		28.8.85	-21%	£790	
l	Greggs	7.8.85	+47%	£1,470	
I	Land Sec	7.8.85	+18%	£1,180	ı
1	Brickhouse Dud (Share offer by Glynwed)	24.8.85	+ 102%	£2,020	
ı	Cattles	3.7.85	+95%	£1,950	
Ī	Lookers	31.7.85	+75%	£1,750	
I	TVS	10.7.85	+48%•	£1,480	
ı	Walker & Homer	17.7.85	+100%	£2,000	
ŀ	(Cashelle)		♥At time	(Cash	

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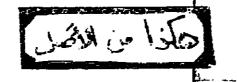
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Spoilt for choice

ROUSE-BUYERS are going to specialists, other institutions be spoilt for choice when it such as the clearing banks, comes to getting a mortgage, merchant banks, life companies despite indications of a return and specialist mortgage finance to queues with certain building houses would all be competing

This is the inevitable conclusion to be drawn from the views expressed by speakers at a recent conference, organised by the Institute for International Research, on marketing of mortgages.

The conference was concerned mainly with the compriorities facing various operators in the mortgage field, with only one in or two speakers actually talking directly about how the likely developments would affect consumers. But their views on the coming changes in the mortgage market gave a very clear insight on the future for housebuyers—and a mixed future it is likely to be.

First, there was widespread agreement that the number of institutions offering mortgages would initially increase further from an already high level. In areas such as futures contracts building traditional to

Stuart Chappell

explains how charity

same time, seems an unlikely

can benefit if you act earlier

and give the money in a

£20,000 to a particular charity.

or charities, by a legacy under your will. Assume also that you

Charitable covenant

Less tax relief at 29%

Net amount payable

Plus tax repayment

Charity actually receives

Charity benefits by

Income of charity

Assume you wish to give

different manner.

Example

GIVING TO charity, and wait until you die the charity increasing your income at the will benefit from the cash

combination. But it is possible inheritance tax relief on the for high rate taxpayers by a amount of the gift.

However, you could covenant the control of the gift.

to leave a legacy to your annum over the next four years. favourite charity, there is a The Finance Act 1985 increased

better way of doing it than the limit on higher-rate income simply naming a sum in your tax relief for charitable cove-

will. Both you, and the charity, nants from £5,000 to £10,000

years.

If you have a genuine desire to pay the charity £5,000 per

can start at home

keenly.

Second, there was similar agreement that mortgage pro-viders would increasingly rely "wholesale" market for the finance to support their advances. The cost to them of this money would be linked closely to money market rates such as Libor (London Inter-Bank Offered Rate).

The practical consequence of this second trend would be that the days of the traditional mortgage loan, with interest rates varying infrequently according to the decision of a cartel of lenders, were numhered. Instead, interest rates in many cases would vary much market fluctuations, and the scope for competition on rates

Paradoxically, however, developments in mortgage funding - even into sophisticated — would at the same time open selling" of other products. To up new opportunities for fixed- put it crudely, house-buyers

legacy and your estate will get

gross and the 1986 Finance Bill

proposed to abolish this "ceil-

ing" altogether. There is a pro-viso, however, that such a

charitable covenant must be

capable of exceeding three

£5,000 4x=

The proliferation of operators in the mortgage field would mean that competition, already keen, would become even tougher. But since they would not find it easy to compete on price. lenders would instead have to compete on the variety of products offered, giving bouse-buyers a wider choice in the type and style of mortgages

such as guaranteed acceptances.

Already we are seeing a number of variable-rate contracts and experiments in lowstart mortgages, the latter being an area where product design could well be extended. Then there are the fixed-rate loans. Hence the conclusion that house-buyers in the future will be spoilt for choice. But it is not going to end there. Various speakers emphasised

that the keen competition be-tween mortgage providers tween mortgage providers meant there would be very little margin for them on the lend-Their profits would come from what is termed the "cross

Earn as you give

retain 29 per cent of each pay-

ment against your own tax

The charity is able to recover the £2.042 you have deducted.

However, provided you pay tax

at 29 per cent then the tax you have "deducted" from the

charitable covenant will not

have to be paid over to the

If you pay tax at a higher rate you will be able to claim

tax relief on the full £7,042.

Assuming you are a 50 per cent

taxpayer you would be entitled

Higher-rate income tax relief

Loss of income- 5,000 x 4.92%

-10,000 x 4.92%

-15,000 x 4.92%

-20,000 x 4.92%

-7,042 x 21% (50%—29%)

Increase in spendable income

liability.

charity is treated by the Inland tional 21 per cent (50 minus Revenue as having received 29) on the £7,042 you are £7,042 as you are entitled to deemed to have given to the

charity.

the marketing emphasis being | buv homes. The pressure on profit

would come under sales pressure to take other products along with the mortgage. This is already becoming evident, with building societies

heavily marketing (to both new House-buyers of the future and existing borrowers) the endowment method of repaying mortgages—primarily to earn the commission on the life policies sold. The straight repayment mortgage could become a was Mortgage lenders could step

up the marketing pressure, concentrating not only on endowment mortgages but also on insurance and other insurance products. The next step would be to extend the operations to personal lending, generally using the house as security.

In this respect, some speakers saw tremendous potential in the growth of pension mortgages. These are contracts that use part of the benefits of pension

You have given £5,000 in capital away, but consider the

effect on your income. If you

put the £5,000 on deposit with

a building society, for example,

yielding a net 7 per cent annu-

ally, by the time you have paid

50 per cent income tax on the interest you will only actually

receive £246 a year. Against this

you will receive £1,478 in res-

pect of tax relief because of

1.478

the charitable covenant.

rette of the past

increasingly concentrated on employees rather than the selfemployed. Speakers foresaw it as inevitable that people would come to regard their pension savings as suitable for use to

margins would also mean that delays in the house-buying pro-cesses could be costly. This factor, together with competition, would mean that any mort-gage package would have to offer a chain-breaking facility. In a year or two, it was predicted, this novel feature now appearing on the market would be commorplace

could not only find a much more varied, complex choice of mortgage packages available to them—they could also discover that the local estate agency disappearing. although views on this subject were somewhat 'speculative.
It was argued that the mort gage providers, to ensure suc

needed to control the distribution outlets. Some speakers predicted that the move by certain institutions to buy up nationwide estate agency chains would spread rapidly. Some even went so far as to forecast that estate agents' offices, often with prime high street locations, could become one-stop financial service shops dealing with unit addition to houses.

rou would have invested rises to £20,000, but even then the tax relief received continues to far exceed the amount of loss of investment income as Illustrated by the table.

bad result, especially as the

amount of inheritance tax your fourth years of the covenant you pay tax at 50 per cent on the So when you pay the first to claim from the Revenue a will lose an increasing amount top slice of your income. If you yearly instalment of £5,000 the further £1,478—that is the addi- of income, as the capital sum heirs will be liable to pay on your estate. Year 3

1,478

. . ..

1,478

Over the four-year period your spendable income will be £3.452 higher altogether and in fact it will take a further three and a half years before the net income loss (from not investing the £20,000) finally outweighs the amount received in tax relief. Meanwhile the charity will have benefited to the tune of £8,168 in tax reclaimed over the four year period (four times £2,042) in addition to the £20,000 originally bequeathed to it. Not £20,000 you have given away will also obviously reduce the



Mutual disagreement

company belong? If it is a public quoted company, like the Prudential, then it is owned by shareholders who receive copies of annual reports and accounts and details of the annual general meeting, and who can vote at the AGM for or against the re-election of the company's directors.

However, if the life assurance company is a mutual one, then it is owned by its policyholders. The very word "nutual" seems to imply that the company is run entirely for the policyholders' mutual benefit. Yet such policyholders may never be sent copies of their company's report. They may never be directly informed of the AGM and so may never vote for or against the re-election of directors indeed, their company may do all sorts of things they never find out about!

My wife and I have life assurance policies with a number of companies: most of them mutual companies. The main reason we prefer mutual companies is that, theoretically, all the profits made by mutual companies are used to increase the benefits of policyholders, whereas public quoted companies obviously of their profits to their ordinary shareholders.

Two of my policies are with the mutual company Friends' Provident. One policy was taken out in 1970, and the other in 1977. Apart from an annual bonus report I have received no other regular communication from Friends' Provident regarding the company itself which (as a policyholder) I part-own.

On May 8 I read in the Financial Times: "The policyholders approved the action of its year." board in the rescue of UK Promany other Friends' Provident

alone been asked to approve it. I therefore wrote to Friends' Provident. Frederick Cotton, the chief general manager, promptly replied. He confirmed that every policyholder "has one vote irrespective of the number of policies he holds."

The annual general meeting on May 7, 1986 had been advertised on April 15 in the Guardian and the Financial Times. The advertisement was easy to miss, being only one column in width and about five inches in length. It did not refer to the UKPI "rescue."

Investor's Tale

Unhelpful policies can cause old Friends to fall out, says Kevin Goldstein-Jackson

In my letter to Friends' Provident I pointed out that other mutual companies with which I have policies (such as London Life and Equitable Life) perhave to distribute a large part formed at least as well - if not better - than Friends' Provident. They have always sent me a copy of their annual report and accounts and notice of the date and details of their annual general meetings.

Mr Cotton replied : "To date we have decided against that course on the grounds of cost. We are, of course, a mutual any expense is a charge on policyholders' funds." However, he stated that they would "reconsider the position for the of Friends' Provident yesterday annual general meeting next

I had also discovered that vident." I was amazed. Like although I had taken out my many other Friends' Provident two policies with Friends'

details whatsoever regarding to them via a broker, the com-this important matter — let pany had still put the policies through a broker. Mr Cotton responded that tion

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gold

His netal

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issues

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London Life and Equitable were like Friends' Provident, mutual companies "but there the similarity ends. Both these companies sell their products through their own direct sales people and do not pay commission to insurance brokers and intermediaries. This does mean that their customers are direct customers of the office which, in a sense, gives them both the right and the need to communi-cate directly with policyholders more frequently. As a prominent broker/intermediary office we are careful to respect that our policyholders are normally, in the first instance, clients of the insurance broker who may be using several life offices to programme their financial

He also stated: "In pricing our contracts, we do assume that introductory commission will be paid to an agent and our branch managers do have some discretion, if they have direct business, to allocate it to a broker to help in the develop-ment of business from that account. The system works well and our new business unit costs are among the lowest in the

I still think it is odd to pay commission to a broker for doing nothing. Not sending the owners of the company a copy of the annual report and details of the AGM is also not very heloful.

Mr Cotton has promised to carefully review the situation. I very much hope that Friends' office and very conscious that Provident and any similarly uncommunicative mutual com-panies will decide to change their practices soon. Or perhaps there should be legislation to force such companies to provide their owners/policyholders with at least the same level of information as a normal nonmutual company would auto-Provident direct and not gone matically send shareholders.

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Legal Notices

No. 004171 of 1986
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
IGI INSURANCE COMPANY LIMITED

IN THE MATTER OF THE COMPANIES ACT 1986 NOTICE IS HEREBY GIVEN that the

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated 7th July 1986 confirming the reduction of capital fractions of the Share Premium Account the Company from E309.978 to £113.055 of the above-named Company and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particular required by the abovementioned Acres and Share of Companies on 15th July 1986.

Dated 18th July 1986.
CLIFFORD-TURNER.
Blackfriers House,
19 New Bridge Street,
London ECAV 68Y.
Selectors for the Company.

No. 004075 of 1988
IN THE HIGH COURT OF JUSTICE
Chancery Division
IN THE MATTER OF
BARDSEY PURLIC LIMITED COMPANY
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice dated 7th Jusy 1988 confirming the reduction of the spiral of the shovenamed company from £10,500,000 to £5,562,500 and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the abovementioned Act were registered by the Registrer of Companies on 11th July 1986.

uly 1985.
Deted 18th July 1988.
CLIFFORD-TURNER,
Blackfrians House.
18 New Bridge Street,
London EC4V 88Y,
Solicitors for the Company.

Clubs

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ANDREWENAR ET T

AS THE Chancellor of the Exchequer reminded its in his Budget, Britain's everseas assets have increased seven-fold since 1979 to a record 1990bn. While much of this is corporate and institutional investment, direct holdings overseas by individuals have no deably increased in like proportion. Such investors will make the foldings of the seven in the proportion. Such investors will be the foldings of the seven investors will be the seven in probably find that their income and (less frequently) their capital gains will be taxed not only in Britain, but in the overseas country too, a situation already familiar to those in receipt of overseas rents, trust income and SO on.

new. In an endeavour to overcome the inequities which would otherwise occur, successive British governments have negotiated no fewer than 86 fully comprehensive double taxation treaties—the first being con- the total reduction of tax cluded with Switzerland in 1931. allowed in any particular case. residence in more than one country, by deeming the individual to be a resident of just one of them. They also provide for relief of various types, some classes of income being taxable only in the country of residence (eg interest) and others only in the country where the income arises (eg government remu-

neration). But even where a double taxation agreement is in force, some sources of income, like divi-dends and rents, may be taxed in both countries although, in the case of dividends, tax charged by the source country is usually subject to a limitation. In such circumstances, double taxation will not have been eliminated as is also the case if the income or gains arise in a country with which the UK has no double taxation agree-ment. Relief is then given by reduction of the British tax pavable.

Generally, only British resi-

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North America

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New Australia 🛆

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TR Australia (w)

Fleming Japanese GT Japan

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Garmore American Secu

Drayton Far Eastern (w)
F& C Pacific (w)
Fleming Far Eastern

Martin Currie Pacific (w)

Pacific Investment (w) Δ

eific Basin (w)

Baillie Giffand Shin Nipp. (w) Crescent Japan Drayton Japan

Commodities & Energy

Doubly taxing **Donald Elkin**

on overseas investments

dents are entitled to this treat-ment although, exceptionally, residents of the Channel Islands and Isle of Man can benefit too. This problem is by no means

Furthermore, relief is only
new. In an endeavour to overavailable in respect of overseas direct taxes suffered by the individual on income or gains which are also taxable in the

Naturally, there is a limit to Modern agreements overcame In broad terms, the rules be problem of simultaneous require that relief for foreign esidence in more than one tax must not exceed the British tax payable on the income or pays income tax on all of its capital gains concerned; the profits, the recipient of the divi-foreign source being treated for dend being given credit for the

foreign letting profits have have had to pay that tax on its suffered UK tax of 29 per cent profits regardless of any divi-and since the overseas tax is dend payment. Consequently, on the other hand, the foreign relief.

tax had been £1,600 (i.e. 40 per cent), the relief would have been restricted to £4,000 at 29 per cent = £1,160. Importantly, even though Mr Brown would only have received £3,200 (or £2,400) after paying his foreign tax, the full gross amount of In 1979 I took out an insurance £4,000 is taxable in the UK policy in order to provide a whether or not relief is available for all of the overseas

As indicated, individuals can claim double taxation relief only in respect of direct taxes paid overseas. But the position sometimes not what it seems as Mr Green, a shareholder in a Malaysian company found to his cost. He received a dividend for M\$600, accompanied by a certificate to the effect that the gross dividend was M\$1,000 and that M\$400 Malaysian tax had been deducted and paid to the authorities.

Nevertheless, his claim relief in respect of the M\$400 was refused because, under the local tax system, the company this purpose as the top slice appropriate amount of that tax of the total income or gains. But the definition of a direct the example in the table relating to Mr Brown, a UK resident, highlights the sallent points.

Clearly, when treated as the top slice of the income, the fact is, that the company would have suffered had the fact is, that the company would have suffered had the fact is, that the company would have suffered had the fact is, that the company would have suffered had the fact is that the company would have had to now that the company would have bed to now that the company would have had to now that the company would have had to now that the company would have had to now that tax. at a rate of 20 per cent, Mr Green will have to accept relief for the full foreign tax assessment on the sterling of £800 will be due, reducing equivalent of M\$600 without the the British tax bill to £3,650. If, benefit of any double taxation

British salary	£15,000
foreign fetting profits (foreign ta	(0083 xz
Less personal allowance	£3,655
Tax on £15,345 @ 29 per cent	£4.450

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Edinburgh Fund Mgrs.

Ivory & Sime Robert Fleming

Foreign & Colonial Robert Fleming

Thornton & Co. Touche, Renmant

Martin Currie Inv. Man.

Clayton Robard (UK)

Edinburgh Fund Mgrs.

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John Govett

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Seven-year hitch

In 1979 I took out an insurance capital sum to offset death duties on the joint estate of my wife and myself. I did this on the suggestion of my bank manager and the business was carried out by the bank's insurance services subsidiary. Because most of my career was speat overseas, all of my securities documents were held by the bank, and once the terms were finally agreed I assumed that the policy would be deposited by the bank with my other securities. Last year I retired and decided to change my bank. I asked that the securities holdings be transferred and discovered that the insurance policy—and only that—was missing. It could not be

traced and the bank agreed to obtain a duplicate from the insurance company. Several months later, after many telephone calls and the filling in of forms, I received a policy. This, however, was not a copy of the original policy. It was an entirely new policy, dated in 1986. examination of which indicates that not only does it not satisfy the conditions originally agreed but it also ignores agreen but it also ignores benefits and bonuses enjoyed on a policy entered into seven years ago. What is even more disturbing is a statement that the original policy was surrendered by virtue of a form of indemnity signed by me. The only indemnity I signed was—I understood to protect the insurance company against a double

claim on the original policy.

I am convinced that either

the original policy was never

company sees the loss as an opportunity for doing a more favourable deal. I consider that for seven years

I have been paying premiums under false pretences. The history which you set out is very disturbing. You should require your bank manager to give a full explanation of what happened and how a new (and different) policy came to be issued. At the same time you should seek an explanation from the insurance company. There are now "ombudsman" services available for both insurance and banking, and it may be that you will have to pursue the matter there if the companies themselves do not satisfy you.

Allowance for age

The combined income of my wife and myself (both over 65) exceeds £9,400 a year with the building society interest grossed up, so that we do not get the age allowance.

Is it possible to switch the building society or other investments (eg, to National Savings Certificates) where the interest is not included in arriving at the investment income figure for age allowane purposes and are there any snags in the switch?

Also for age allowance purposes is the whole or both our state pensions included in arriving at the income? First question: Yes. The only

that you receive more than 12 building society months interest in the tax year. Second question: No: for the

current tax year (only), clause 52 of the Finance Bill (which was originally clause 46) exempts the general increases which have just taken effect. The Christmas bonus is also exempt, every year.

Titles and tenure

In Scotland, if a landlord leases office/shop premises for 20 or 8 years does the commercial tenant have any security of tenure at expiry of the lease if landlord wishes repossession for his own business use? I wish to give a series of seminars under a specific title. Can I register this title as a

trade mark or copyright so that no one else can use it. Would it be expensive?
Under Scots law there is no equivalent statutory provision with regard to security of tenure for tenants of commer-

cial property. No protection exists other than a contractual obligation with regard to an option to renew or extend. There is a limited security granted by the Tenancy of Shops (Scotland) Act 1949. The protection thereunder however is limited and should not be relied upon in the situation stated by you. If the Landlord requires the shop for his own use it may well be that the Sheriff will refuse an applicasignificant point to watch is tion for an extension on the immediately adjoins the garden that you do not make the basis that in the circumstances Have I any legal responsibility

BRIEFCASE

of the case greater hardship would be caused by allowing an extension than if it was refused. On the second question it is not possible to answer with certainty in view of the fact that you have not let us know the specific title. It is unlikely however that copyright protection would extend to a title unless it was of sufficient length and originality. In the event of the title being protected by copyright no registration would be

required for protection. The title may be registrable as a trade mark and you should contact registration and patent agents either in Glasgow or London who would be able to advise you as to whether the mark would be capable of registration and the cost of that registration.

If the mark was neither registered as a trade mark nor pro-tected by copyright it is possible that you could prevent someone else using it by raising an action for Passing Off. Such an action would only be available to you in the event of someone else using the same or a similar title with a view to representing their seminars as yours.

Points at issue

I own a small property with an unfenced front garden.
During the past 18 years, roses
and other thorny plants have
been cultivated adjacent to the public footway which immediately adjoins the garden.

if someone should be damaged by such a plant and should I take out an insurance policy to cover such a contingency? Also, I have a rear enclosed garden with a flank wall adjoining a public footway.

I would like to remove this
wall, but if I carried out this work it would place established

thorny plants next to the footway. I wonder what are the legal implications of this proposal? If your plants do not encroach upon the footway you would anot incur liability. You would not incur liability. You wonth the be wise to ensure that the plants are trimmed back so as plants are trimmed back so as not to make any encroachment, although insurance against liability to users of the footpath might be a cheaper solution.

When death do us part

My wife and I have made wills in each other's favour. If I predecease her my estate will pass to her free of CIT and vice versa.

But if she died a week or so after my death without making siles a will would half the estate go to our son and half to her sister and brother. Conversely, 1827 if she predeceases me and I failed to make a will and died intestate would the estate be divided between our son and my brother and sister. ders Our object is to ensure that the minestate passes intact on our

deaths to our son. that In each case the entire estatedly, would pass to your son if he of survives both of you and the nay survivor of you and your wife, to were to die intestate.

No legal responsibility can be me accepted by the Financial Times for On the answers given in these columns and All inquiries will be enswered by post as soon as possible.

The Investment Trust Table

	as at close of business on Monday 21st July 1986					as at 30th June 1986						as at close of business on Monday 21st July 1986 as at 30th June 1986				l l							
Tot No	t INVESTMENT POLICY		Share Price		Net Asset	 	Nth.	hical Spre		Gearing	Total Return on N.A.V. over 5 years	Total Net	INVESTMENT POLICY		Share Price		Net Asset		Nth.	ical Spre		Gearing	Total Return on N.A.V. over 5 years
Asse (1) £mil) (2)	Management (3)	(4)	Yield (5) %	Value (6) pence	UK (7) %	Amer. (8) %	Japan (9) %	Other (10) %	Factor (11) base=100	to 30.5.86 (12) base=100	Assets (1) £million	Trust (2)	Management (3)	(4)	Yield (5) %	Value (6) pence	の	Amer. (8) %	(9) %	(10) %	Factor (11) base=100	to 30.6.86 (12) base=100
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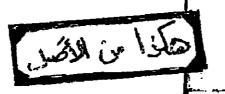
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JOHN CALLANDER, of the Cadogan Street agents Callander Wright, sums up the prob-lem of central London asking prices by saying: "At least 25 per cent of the properties I see for sale now are overpriced.
"It is always the case in the summer. When the sun comes out, people do think that their garden is looking particularly good and that it's the best time to sell. Some do take an unrealistic view of the value of

their property."

Egged on by a new breed of barely competent but highly competitive estate agents, overoptimistic sellers hold out for unattainable prices. The house or flat sticks on the market until the autumn; then, on past experience, Callander says: "They'll either bring the price down to a more realistic level.

the market will have caught up with them, or both." Either way,

that is when the sales start to pick up again. 'The autumn, and spring in the weeks before the school summer holidays, are the best times to sell It's a popular mis-conception that the summer brings out the buyers," he adds. Home owners are not the only ones trying to push their luck in a sellers' market: he has run across professional developers who will not listen to an advis-ing agent's valuation. "I have had cases where we give a figure and the developer has

said, 'I want 25 per cent more than that'" Andrew Langton, managing director of the Kings Road agency Aylesford & Co, reports the same problems although, as he says, most of the residential the sal developers these days do take gested. pote of professional valuations. Development financing costs make them as conscious of the speed of a sale as of the price.
Private buyers can be quite a different matter. When a seller in a difficult position. Says Langton: "What are you to do? Tell someone it is illogical nonsense or say 'OK, I'll give it a go ' and see if some unexpected buyer turns up? I've got half a

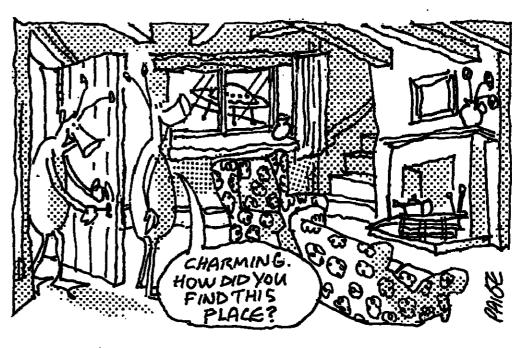
dozen like that in the drawer.'

The property magazines that pour through the doors of central London homes these days provide inspiration for do-it-yourself valuers, along with notes from the latest addition to the local estate agency lists to the effect that "properties in your area are in great demand." The free valuations on offer across the capital help to turn even the most settled homeowners into speculative sellers.

Keith Parry of Sturgis explains just how sellers' hopes and agent competition result in misleading asking prices. He tells of dozens of instances where Sturgis has been called around to value a property for

John Brennan looks at prices in the centre of England's capital and

finds that many sellers seem to be pushing their luck.



London's unreal estate

"think about it"—and promptly puts a small advertisement in the property pages asking 10 or 20 per cent more. Parry and his negotiators read those ads but tend not to mention it when, a few weeks later, the seller calls again and says he has thought about it and could Sturgis act on the sale at the price it sug-

"Fair enough," says Parry, who accepts that sellers do like to have a go themselves, and do sometimes hit lucky. What irritates him. and infuriates most of the other established agencies insists on asking far more than a as well, is when a buyer consults suggested valuation, an agent is a range of agents and is peras well, is when a buyer consults suaded to give the sale instruction to one who says that the property should sell for far more than any experienced valuer would advise.

Since anyone can set up as a residential estate agent, many ambitious negotiators spend a few months in an established agency and then lease their own shop-front. How are they to carve a trade for themselves? Price competition is one way. That has already resulted in a commission war in some parts of outer London. Central London commissions have not dipped under the 2 to 21/2 per cent average because office and staff costs are so high. That has kept the competition down and makes those commission rates which are the envy of provincial agents charging half as much-far less profitable than they appear to be.

A commission war sounds good news for customers—but sale and where the prospective good news for customers—but seller listens to the guide price, not when it also means that politely explains that he will inter-agency rivalry leads to

advice on prices based more on move or because, that way, the an agent's view of what will win a gent's commission comes in so him a sales instruction than on much faster. him a sales instruction than on the chances of selling the property in a reasonable period. And Parry reports that sellers are getting that kind of misleading to our notional Mrs Jones. If advice from job-hungry agents

every day.

If there was any one objective value for a house or a flat, it

she asks three or four agents around, three of them may agree that her house is worth £170,000. They're likely to say that she ought to ask £180,000 to £185,000

would be easy to see when a ought to ask £180,000 to £185,000 price was out of line with the and see if she gets an offer. If

'The magazines that pour through the doors provide inspiration for DIY valuers . . . and the free valuations on

offer help to turn even the most settled home owners into speculators.'

market. But it is not as simple as the fourth says 'You should get that As Chesterton's senior partner, Bruce MacEacharn, says: "On new developments, people don't attempt to over-£225,000.' she's very likely to go along with that." It is not always rogue agents price as a rule. They know their costs and say, 'OK, we want £300,000 for a two-bedroom apartment and £250,000 for the

smaller ones.' They know what prices are. 'When it comes to the resale market, you're in a minefield. Say Mrs Jones puts her house up for £150,000, and it is sold within a day. She wonders if she was asking enough; she's bound to."

It is one of the problems about asking prices that you know never if an agent has pitched the price low enough to ensure a near-instant sale, either because the client wants a swift

who push sellers into asking too much. MacEacharn recalls one client with very fixed views on value. "I was asked to sell a right. Agents used to talk sadly house in Kensington and the of greedy sellers leapfrogging chap wanted £1.5m. There was deals for a few pounds more. no way it could have been worth that money. I wouldn't market it at that price, but I agreed to who muscle in on sales instructions it is the bettern degree for tions and positively encourage. keep it in the bottom drawer for a special purchaser."
That house was eventually

that "no offers" asking price. Still, even the best professional valuations can be only a dards of behaviour have guide to price. MacEacharn changed. You're in cowboy land explains how an agent's view now.

can be translated into the asking price. A basic "sell overnight" price might be, say, £340,000—in which case, in today's markets, that might mean a more realistic valuation of £360,000 to £370,000. That would appear as an asking price of around £395,000 " to put your toe in the water."

If every property was being offered at five to 10 per cent above its " real " price, it would not take long for buyers to work out the discount and bid according to the contract of the contr dingly. But the only real price is what the market will bear; and for every buyer who is willing to bargain, there is another who just wants to get the deal done. "When people see a house they want, there is a strong element of not wanting to lose it," says MacEacharn. "At the moment it is a seller's market; and when people make an offer and find that someone else has come along and paid the asking price, you're always hearing them say. 'Oh, but I would have paid

If that sounds like the scene for a touch of gazumping, you're tions and positively encourage sellers to accept bids after they That house was eventually have shaken hands on a sale. sold—but not for another two "In the past 20 years," says years and for £100,000 less than MacEacharn, "the number of estate agents must have grown 20-fold and attitudes and stan-dards of behaviour have

Cornish delights

THE COLLAPSE of the tin price may have wrought havoc with Cornwall's mining, the oversupply that led to milk quotas deeply indented the profitability of the region's small-holdings, and the loss of its special development area status in the redrafting of regional aid policy hasn't the drive to bring in new jobs. But home buyers still com-pete for sea views and country

Peter Copeland at Miller & Company in St Austell reports a shortage of sizeable country homes. "There have been quite a number of small holdings on the market, but the bigger farm-houses you could really do something with don't come up that often." The motorways and road improvements after Exeter cut the road journey time from London to St Austell to around five-and-a-half hours, and there's the overnight Motorail if that haul seems too exhausting.

Once there, choice and price depend on how close you look to the southern coast. "You can get a farm house inland dead cheap," says Mr Copeland, "but on the south coast with a sea view the same property will cost several times more."

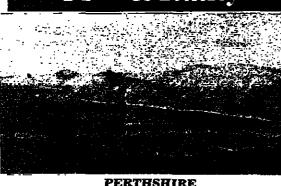
One three-bedroom farm-house on Miller's books at Prazean Beeble, near Cambourne is a "typical Cornish property. It is called 'Five-Acre Farm' and has six acres." That's £78,500.

Resugga farmhouse at St Stephen in Brannell has a more distinguished history. A mile from the prehistoric earthworks of Resugga Castle overlooking the River Fal, the Grade II listed 16-room farmhouse dates back to the 14th century. ____although there is not much of the original building left after additions and alterations over the centuries. The building, and an acre and threequarters of garden and paddock, was sold off when its farm's land was separately bought some years ago. The new owners spent about £25,000 reroofing the house in traditional Delabole slate, and made a start on internal renovation work.

The price? Well, as it is one of the properties of character that "buyers from up country" tend to like, Miller is putting it up for auction on September 9 at its St Austell office (0726 66435). Bids between £75,000 and £100,000 are expected, but you never a

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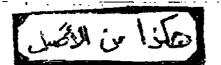
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• PROPERTY •

Caroline Keely on the perils of renting out a house

Withdrawal symptoms

I ALWAYS suffer that pre-exam feeling in the pit of my stomach as I open the back door, never sure what I'll find-or not find. Will some child have scribbled ture have mug marks on the surfaces and scratches down the sides? Will the crockery be smashed and the spoons vanished? Letting other people rent my home is a perilous

So far my worst nightmares remain unrealised. It is irritating to be left no loo paper, or to find the washing-up liquid on its last air-filled squirt, but relief at what might have happened amply compensates. And rather enjoy the odd slection of donations (usually something I'm trying not to eat—two dozen curtrying not to eat—two dozen currant scones was perhaps excesthan of an idyllic country sive, but the chocolate cupcakes evoked fond memories of child-

for a schizophrenic two-home existence. When I joined the precarious world of the self-employed, a few bleak moments consulting my calculator convinced me that someone else had to help pay for it. Of course it's wonderful when the cheques roll in, but I still endure with drawal symptoms as I put away bikini top—" not what people in

John Brennan on the

renewed demand for

THE ENGLISH country house

used to be something that

out-of-town houses

perhaps. determined my cottage would the shop, pub, pottery and milkseem the perfect rural retreat, man benefit, I hope, from Flowers filled every room. The increased trade. furniture glowed from polishing Fresh wholemeal rolls lay cooling on the rustic carved breadboard. As they stepped through the door, their senses were to be assaulted by the warm smell of beeswax and baking. In fact, waiting nervously for their arrival, fiddling in an already pristine kitchen and ever-conscious that the bucketing rain would bring in four pairs of wet feet and one small dank dog. I smashed a bottle of burgundy. As my first family crunched their way over the darkening flagstones I felt

Since those early overtry cottages" as a profitable business venture. But there are also those of us who have a serious ways I have grown more detached. I no longer feel the need to welcome every new tenant personally business venture. But there are tenant personally and I also those of us who have opted anaesthetise myself from possible chaos when I return by

At home in the country

market again.

stayed in a family for genera-tions. Death duties and Capital house buyers don't put down Transfer Tax cut into that tradi-roots, they continue to trade up,

tion. Children leaving home ear- from oast house conversion to lier and setting up their own Tudor barn, from barn to Jaco-households earlier, plus heavy bean farm house, from farm to

households earlier, plus heavy bean farm house, from farm to running costs finally consigned Georgian rectory, up past the many a minor family seat to the haute Victorian and Edwardian

care of a nursing home business country houses towards the goal or simple decay.

But in the past ten years the have been particularly glitter-demand for a home in the couning, a full scale estate.

mini-estates and make an active

But it is quite a different mar-

or, if the golden handshakes

With the first tenants I was, community. My front garden perhaps, over-conscientious, now less resembles a field and

Neither the cottage nor the tenants have suffered any real disasters but winter can bring its own unforeseen endurance test. I was called in to "rescue" a family who had been forced to retreat to the privations of a caravan when the newly installed pipes froze in their halfrenovated house.

I pictured them, warm at last by my log fire, socks drying on the Rayburn, hot water gushing into the bath. I phoned the day they arrived. It was the carpet tiles from the bathroom which were drying on the Rayburn. Icy water was swirling round the kitchen furniture and an heroic plumber was digging for the burst pipe in four feet of snow. The caravan must have seemed like paradise.

I frequently find cutlery in the flower beds, even after a week of unremitting rain, and my visiting mother fell into the man-hole which had een broken by being used as olatform for chopping wood. It proves that other people are infinitely inventive. infinitely inventive. Neverthe-less, encouraged by a relatively painless debut and fuelled by drawal symptoms as I put away bikini top—"not what people in many kind letters from conmy one good rug and hide the few bone china plates at the back of the cupboard.

The abstraction of the abstraction of the symptoms of the cupboard of the cupboard.

The abstraction of the symptoms and the letters from continuous this village like to see "—but tented visitors, I am now embarnobody else seems to mind the king on a second year of "shartemporary addition to our small ing" my home.

office. "People have become more flexible in their thinking

about country homes, and they

are more active in working their way up the scale." Mr Calcutt reveals one hidden cost of coun-

try living that has resulted in renewed interest in properties in and around villages and

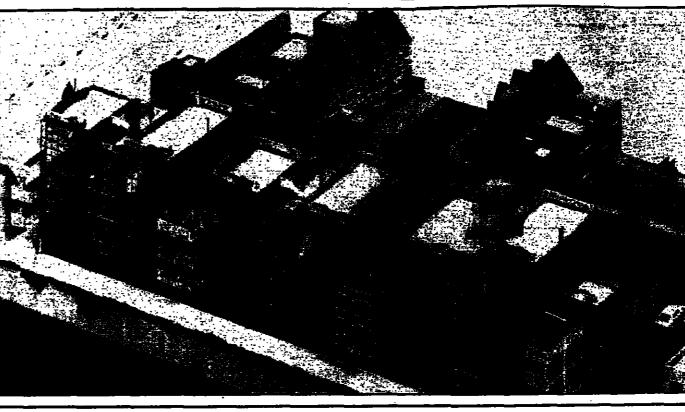
towns rather than out in their

own grounds. " It is an aspect of the problem of accessibility. People with teenage children

find they are becoming an

involuntary taxi service, so they

are tending to look a little lose



ALL EYES ON RIVER

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development by Richard Rogers (of Lloyd's and Pompidou Centre fame) will gladden the hearts of window cleaners in Fulham, West London. Developed by Crudace, all 25 apartments in the Thames Reach scheme. just down-river from Hammersmith Bridge and off the Fulham Palace Road, have 28ft-high double-glazed views over the river. John England & Partners (01-402 2333) and Savills (01-730 0822) have been selling the two and three bedroom units off the plans for between £165,000 and £525,000. Owners, who should be able to move in during January, get an underground garage, a 999 year lease and a share of the block's management

Scotland's National Trust is about to make its 100th acquisition. Alistair Guild reports

How history is brought to life

LATER THIS month, the National Trust for Scotland takes possession of its 100th property, the island of Staffa with its world-famous Fingal's Cave. Yet such an addition to the Trust's portfolio would have been unlikely without the generosity of Mr John Elliott Jr, formerly chairman of Ogilvy and Mather, the international advertising agency, who provided most of the £175,000 purchase price.

The NTS says it is no longer generally possible, desirable or indeed necessary for it to Take Trustive and domestic section of the Scottisch curriculum highlighted the need for children to go outside the classroom to study social history. "We should see our properties as classrooms for all director of the NTS.

At Culzean Castle, children are encouraged to act out that history. Boys dress up as servant lads, and girls as maids. A more humble aspect of Scotland's past is presented in a Victorian generally possible, desirable or indeed necessary for it to

indeed necessary for it to End. Furniture and domestic acquire country houses, castles items are displayed as they or areas of wilderness. It were used by a family for more already owns much of Scotthan 50 years.

accessible to the community and to improve its links with the lease of a railway station at education.

The trust is also negotiating and to improve its links with the lease of a railway station at Dunkeld in Perthshire. It hopes

location close by Tower Bridge.

Rentals

DUKE

land's finest buildings, land-scapes and historic sites. From the success of the tene-ment flat project has emerged But there are compelling financial reasons also. Last year, it had to defer £500,000 of work to trust properties, and it will now only take on large of Innerleithen, and is about to start reising funds for its will now only take on large of innerleithen, and is about to start raising funds for its restoration, likely to cost fee, only more to concentrate on the presentation of its existing properties, to make them more received to the community. The trust is also negotiating the community of the comm

to create a museum which tells country. Houses are bought, the story of the development of sold with safeguards against the Victorian railway in Scot- unsympathetic alteration, and land. The transformation of the the capital used to repeat the station, which the trust antici- proces pates would attract more than 100,000 visitors a year, is likely This method, with variations,

successful schemes has been authority funds have been running for 26 years, with the added in Strathelyde, the Bortrust meeting nothing but ders and Dumfries and adminstration costs. Since the adminstration costs. Since the introduction of the Little Houses Improvement Scheme, more than 200 small properties have been restored, with a current market value of £7m. ders and Dumfries and Galloway. However, the scheme would not be feasible without subventions. Of these, local authority improvement grants are the most important. The trust also the Ristoric Buildings

ples of vernacular architecture just as individual and native to Scotland as the castles and great houses of barons and lairds. In the post war years, they were being demolished in their thousands their thousands.

The scheme, as introduced in 1960, used the concept of a for houses to restore.

"revolving fund." Then unique, it has since been copied by conservation bodies throughout the content of the total and the scheme as introduced in 1960, used the concept of a for houses to restore.

"Because they are economically more viable, we are now turning our thoughts to prop-

100,000 visitors a year, is likely to be financed from a number of continues to operate today. There are now four funds. The LHIS General Fund is worth One of the trust's most £180,000, while three NTS/local

Little houses were homes, work places and stores for merchants, artisans, shipmasters and fishermen. They are examples of vernacular architecture.

seed for the restoration of vernacular properties in need of restoration. It currently has

occupation after restoration," said Mr Sharp. "We are also seeking to attract finance from private trusts to provide, for example, sheltered housing.

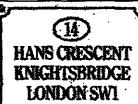
"An old granary in Perth, bought for £1, is likely to cost £340,000 to restore. It would be specially adapted to take wheel chairs, with lifts and widened

Mr Sharp does not rule out involving builders such as Bovis and Wimpey in partnership, though the trust would insist on retaining control of the restoration and that the property be finished to the standards of the period.

Mr William Cuthbert, the trust's chairman, in appealing for more government aid for property maintenance and improvement, highlights the trust's community involvement and its contribution towards tourism, the leisure industry and job creation.

To help prove its case, the trust is to carry out a study this summer with the Highlands and Islands Development Board to assess the socio-economic impact on Scotland's north west of one of its properties, the gar-

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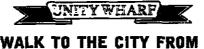
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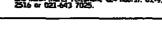
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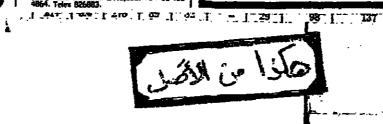
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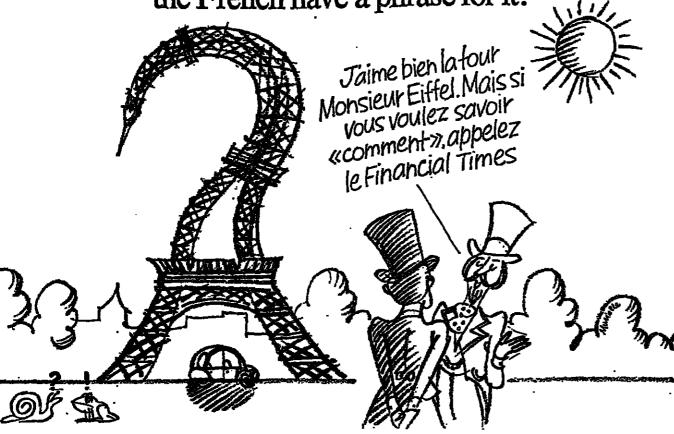
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Tower House Southampton Street

· TRAVEL · MOTORING ·

The Golden Road to Samarkand

We looked out of our window high in the main hotel. There b was the dome of Tameriane's tomb. There were the domes of the 500-year-old Registan square, and there the domed mosque of Bibi Khanum, Tamerlane's favourite wife (at least until he found her in bed with the architect). They were all as blue as the sky.

Samarkand goes back a long vay, perhaps 2,500 years, a trading centre where mountain meets desert on the old Silk Road to far Cathay. Alexander the Great captured it. Genghis Khan left it for dead. Marco Polo passed through, finding it "a very large and noble city" and related how St John performed a miracle there, lifting inp a pillar in a church dedicated to him so the local cated to him so the local The immediate neighbour—seminaries—built in the 15th Saracens could retrieve a stone hood, the heart of medieval to 17th centuries. Each has a which belonged to them with-Samarkand, is probably much huge entrance arch flanked by

the Scourge of God. He built an doors but no windows - light

should be the single most impressive monument in the city, teeth. a big. square, brick building crowned by a fluted dome of sky-blue tiles. The tiles may not actually outlast the sky; they were apparently restored with the same unreliable glue used to attach the floor tiles in they remain Asian and Islamic, our hotel bathroom, and are not Russian. The real Russians falling off again, but the bril-

liant colour glitters undimin-ished in the sun. Inside, the intricate geo-metric decoration is being restored more successfully, with papier mache. Tamerlane him-self is buried at the feet of his favourite teacher. When exhumed in 1941 he was found to have a shortened right leg, bearing out his name, which means Timur the Lame.

brick houses, punctuated by

Arabian Nights; it is still true rebuild Samarkand as his with footballs and skipping now that it has become a fairly big busy city in Soviet Central Asia.

The division of the companies of the capital of the companies of the capital of the companies of the capital of the cap tomb, called the Gur Emir, this may be just a rose-tinted way of saying they've lost their

> The people are ruled from Moscow and had adopted the alphabet. assured, by popular demand (about as popular as metrication in Britain, no doubt) but and one of the great renaissance men, learned in the about the high birthrate of the arts, sciences and politics. Well, their Islamic country cousins.
>
> Afghanistan is only 150 miles Afghanistan is only 150 miles away (though we saw no signs of it) and Iran, with its religious upheavals, not much further. Not far from the Gur Emir. just off the clamour of the main road, we found peaceful Registan square. Samarkand's

other historical marvel. On three sides of it stand madrasas patterns and kufic inscriptions. One of these boasts: "When

stead.

Curve of the entrance arch,
Women, some veiled, walk heaven took it for a new moon are so blue that people would Mongol territories across Asia not notice the difference. That and then, unlike other nomads, through the streets with baskets and bit its finger in wonder."

was true when Samarkand was settled down and brought capon their heads and families in the madrans no longer serve the control of their heads and families in the madrans no longer serve. a fairytale town out of the tured artists and craftsmen to tow. Children in corners play any religious function, but they have kept the tranquil air of holy buildings with mulberry trees growing in the courtyards and occasional sightseers strolling respectfully by.

> More blue domes mark the Shahi Zindeh mausoleum complex, a small street of tombs where Tamerlane's friends and relations lie buried along with (supposedly) a cousin of the Prophet himself. Nearby are the few remains of the obser-vatory of Ulug Beg, Tamerlane's grandson and one of the great together and his son had him killed two years into his reign. But he was once ranked as an astronomer with Galileo and calculated the length of the year to within 58 seconds.

Bevond the medieval centre lies modern Samarkand, a city of 350,000 people in Uzbekistan. It has a surprising amount of bustle for a Soviet town-much more for example than Tashout making the Christian build- as he would have known it. minarets and covered with kent, the Uzbek capital, which ing collapse.

Alleys, narrow and unpaved, more blue tiles, also skilfully though bigger looked almost But the town's golden age wind between the low mud- restored, worked in geometric deserted when we visited it. with horse-drawn carts and cars

IF the sky fell, poets used to empire in the 14th century comes from internal courtyards the architect had perfected the and big yellow buses. We tried curve of the entrance arch, to imagine Marco Polo picking to imagine Marco Polo picking his way through the jam on the way to the main market.

All sorts of spices and fruits are on sale there, but we noticed the lack of the consumer goods, the precious metals, the aggressive salesmanship, which animate other eastern bazaarsbecause this is after all the Soviet Union: free enterprise is limited prices fixed and standards monitored.

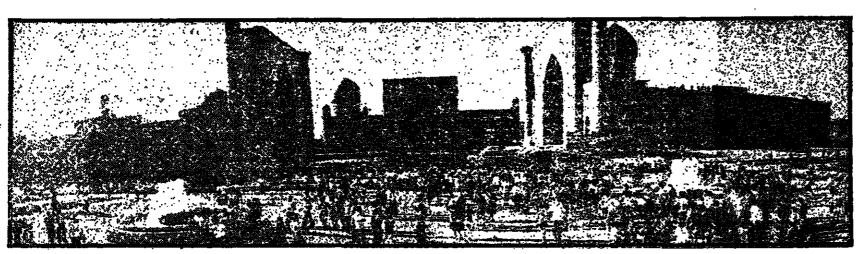
We travelled with a guide from the state Intourist organisation, a friendly unbureau-cratic woman who, when a flight looked likely to be grounded by fog, promptly rounded up a bus and driver just in case. We were free to walk around unchaperoned whenever

The hotels were not posh but comfortable enough, and their bars closed in the afternoon just like home. Nor were our rooms bugged, except for a few cockroaches, and they were nothing compared with the great capitalist cockroaches of

New York.

• We travelled on a Thomsons tour. A week visiting Moscow, Leningrad, Tashkent, Bukhara and Samarkand begins at £320. Intourist, at 292 Regent Street, London, run similar tours them-

John Westbrooke



The Registan architectural ensemble: the heart of ancient Samarkand

stry of tourism informed us, "hostages in paradise." If Acapulco was paradise—this city of high-tech hedonism and Latin low-life, of towering hotels and huddled slums—then maybe hell had a bad press. A city for wild adventures and a little mischief, perhaps. The perfect setting for a sequel to Hunter S. Thompson's Fear and Loathing in Las Vegas, cer-tainly. Assailed by disco music,

WE WERE, the Mexican mini-

dazzled by space-age boutiques and pestered by street hustlers (some as young as five), Adam and Eve would have renounced the Golden Delicious forever. taste. And Acapulco is very

Americans who have helped to nake it their own luxury Beni-dorm, a fantasy land in the sun which transforms ordinary men and women into playboys and playgirls for a spell. It was here that the Mexican

Government set up its Tourism Tianguis (market) to show off its national attractions to the world's travel agents and press. The city has the capacity (hotel rooms and conference provision) and the hest facilities of any adult adventure playground in the world.

Rambo (aka Svivester Stallone) has a fortified holiday home here and Howard Hughes, that other American folk hero, rented the penthouse floor of the Acapulco Princess Hotel. Based on the design of a flattopped Mayan pyramid, the luxury Princess is perhaps the

Purgatory in paradise

you can swim through a waterfall and order your strawberry daquiri from a bar in a cave or as a paradise of sorts. Quiter

Hughes, fearful of human contact and obsessed by germs, presumably shunned these purthe bacilli and stare down the cascading terraces of flowers to the teeming reception area much to the taste of the North below. With its vast circular carpet. curving stairs and babbling brook, it looks from the penthouse floor like an animated Tibetan prayer wheel.

> But to see Acapulco at its best you have to leave it, pre-ferably after dark. The Aca-Tiki, which claims to be the world's largest sailing catamaran, is one of several boats offering moonlit cruises round the bay. Dinner, a spirited cabaret by an Arzentinian dance troupe, and unlimited drink, left the passengers quite un-prepared for the beauty of the scene as they went up on deck. Acapuico's skyscrapers were transformed by night into giant diamante pendants and above them, as if on cue, firework cloudbursts doused the bay with golden rain.

Puerto Vallarta, another It is filled with Spanish colonial with mordant echoes of German

conference, lays its own claims

daquiri from a bar in a cave or walk across a swing bridge to another pool fringed by Rousseauesque foliage.

Hughes fearful of human there. Richard Burton, his lending man, was even more impressed and set up home here with Liz Taylor. Sitting on the balcony of a Los Tules holiday apartment, looking over the tropical gardens and pool to the beach beyond, one could see their point.

Strung out along the shore, Los Tules is a series of apart-ment "villages," each with their own landscaped gardens and pools. Just how many of these units there were I discovered one night when, after a solitary midnight swim. I took a wrong turning and got eerily lost, passing pool after pool (seven in all) in search of my own corner of the complex.

But there is more to Mexico is food (excellent, but come prepared for the Zapotec Two-accompanied by distant, painful step): there are the prices sawings at a cello or the sweet (low), and the people (warm, flurries of a violin. If the mural and attractive), as well as a rich style is too strident for your cultural heritage. Guadalajara, taste it is worth visiting the the city of eternal spring, is the small rooms containing Orozco's favourite city of many Mexicans, drawings; deft and sardonic

quintessence of Acapulco fan- Pacific coastal resort visited by architecture set in wide avenues tasy: a pleasure palace where Tianguis delegates before the lined with jacaranda trees and interspersed with beautiful little plazas and public gardens.

The capital of the state of Jalisco, Guadalajara is the home of tequila and of the rumbustious mariachi music. Appretionary artist Jose Clemente Orozco (1833-1949). The vivid. sometimes lurid, murals depicting struggles against fascism and capitalism have the audacity of graffiti in the elegant setting of the Palacio de Gobierno, Here slavery was abolished by Hidalgo in 1810, an event celebrated by Orozco in dramatic greys and oranges above the grand sweep of the

The artist also transformed the walls and ceilings of a charming 19th century orphanage the Hospicio Cabanas, Part of the orphanage is now a music school, and a trip through the than pools and beaches. There arched courtyards, gazing up at the hectoring frescoes, can be

staurcase.

Expressionism, they are

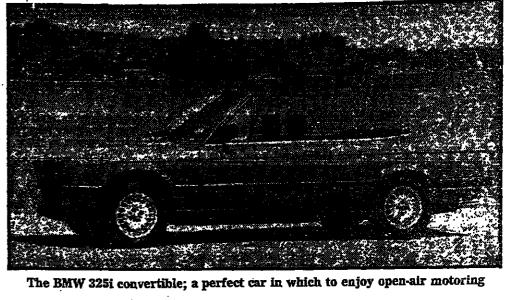
As for paradise, the nearest we got to it was Yelapa, a small island two hours by boat from Puerto Vallarta. The crossing was rough, and many of the passengers were seasick, but whoever said getting to paradise was easy? There were palm trees, wide beaches, cold beers, a waterfall, and only a few halfhearted hustlers offering to take bustious mariachi music. Appre-ciation of the latter is enhanced by consumption of the former. pecan pie. "Where," despaired Guadalajara is also the setting a large American travel agent, round here?" One woman's paradise is clearly another's

> TRAVEL DETAILS: American Airlines flights from London to Acapulco start from £630 return; to Guadalajara from £576 and to Puerto Vallarta from £569. All connections at Dallas Ft Worth. British Caledonian flies from London to Dallas and Houston (from £409 and £344 return) where connections with Mexicana, the national Mexican airline,

can be made. GUIDE BOOK: The Rough Guide to Mexico by John Fisher (£5.95, Routledge and Kegan Paul, 381 pages) provides street plans, invaluable practical information and his-

purgatory.

torical background.



Enjoy the open air

open-car motoring and the new executive-style car in the penternal deserted autobahn, frustration ideal car to enjoy it in. The bethe perfect companion. It is trying to enjoy it in a mobile to would make commuting to town traffic jam at 60 mph or so.

Off the autobahn, it demonstrative was in the high 80s, the Vosges simmered in a a pleasure, not a ordeal, in Off the autobahn, it demonstrates and the roads leading summertime. If it did have to to the Ballon d'Alsace were be used in winter, the hood combine tigerish performance pleasantly free of traffic.

Would be weatherproof and a with the utness and a with the utness of the sum of th

I had not driven an open car for more than a year — long enough to have forgotten the joy of smelling wild thyme and new mown hay, and to notice how much cooler it is a 4,000 ft than down in the valley. One feels more in touch with the outside world when the roof is folded down.

BMW seems to have achieved the near impossible with the 325i convertible, its first fully openable car in 30 years. The hood is a tight as a drum when erected and gives all-round visibility to compare with that of a 3-series saloon.

To lower it, there are no zips or press studs to struggle with; just a couple of clips at the top of the screen to undo. Then, in a easy, single-handed movement. the whole thing folds down out of sight beneath a flat metal price. panel. Putting it up again is just as easy, because a pair of gas-filled springs built into the hood frame do most of the work. In fact, it is the kind of hood one needs on a convertible for Britain. You can put it up and down between showers.

With the side windows, which are electrically operated, fully raised, the wind noise is perfectly tolerable at motorway speeds. Windows lowered, the BMW would be in its element, drifting slowly along the Medi-

Soft top cars converted from hatchbacks — the VW Golf is a prime example — can have very small boots and not much rear passenger space, but the BMW is a proper four seater with boot room for two large cases and much else besides.

There is no roll-over bar to "can a person go shopping brace the body or protect the occupants should the worst happen but the 325i convertible does not shake or flex over rough roads. BMW lists a dozen modification to the body shell to eliminate unwanted flexibility. They include stouter than normal metal for the windscreen frame which should offer some roll-over protection.

> It drives like any other BMW 325i. with a super-smooth running in-line 6-cylinder that puts out 171 horsepower at 5,800 rpm and prefers being driven like a sporty 4-cylinder than being asked to slog away at low revolutions. A top speed of 134 mph and a 0-60 mph acceleration time of 8.4 seconds are claimed. I doubt that many buyers of

the 150 examples of the convertible due to reach Britain this year will have continuous high-speed driving in mind. For that Annalena McAfee sort of use a hardtop makes more sense. But for a family

hot air blower built-into the rear parcel shelf should keep the fiexible back window demisted. But I would not care to leave it unattended in a back

street for long. Though it has an anti-theft device to prevent the engine being started by an intruder, a sharp knife makes a man-sized hole in a fabric hood seconds. A thief might not be able to drive the BMW away.

> tion prize. With power steering, sports seats and electric windows standard, the 325i convertible costs £16,495 with 5-speed manual gearbox. Michelin TRX tyres, which gave the car I warmed-up family saloon. The drove an excellent ride and all suspension is firmer than that of the handling one could responsibly use, add about £150 to the

but he could take the radio/

stereo tape player as consola-

Having sampled the delights of the soft top in France, I took BMW's latest saloon supercar into Germany next day. The M5, with a top speed of 153 mph and 6.2 second 0-60 mph time, is claimed to be the fastest 4-door

saloon available in Britain.

The autobahn from Mulhouse to Karlsruhe should have given me an opportunity for a pipe-opening blast in the M5 but it was as crowded as the Southend arterial on a Sunday.

Supra (this column, law 515 209 for the remore to come, before the four-

IT WAS perfect weather for with a big and long-legged had to go on fairly hard. If open-car motoring and the new executive-style car in the perfection is driving a M5 on a

with the utmost gentleness. In town, the M5's 24-valve, 286 horsepower 3.5 litre in-line 6-cylinder held fifth gear down to 30 mph without protest. The clutch is not heavy, the ride comfort is little affected by the 50 series Pirelli P700 tyres and the power steering makes slow driving and parking effortless.

The M5 is created by BMW's Motorsport subsidiary, which takes a body shell from the factory and hand builds the car around it. In effect, it is an off-the-peg Alpina B10 without any of the go-faster body alterations. The M5 makes do with a modest front air dam and boot lid spoiler that would not look out of place on a slightly warmed-up family saloon. The of a normal 5-series, the gearbox has been beefed-up and a

limited slip differential fitted. Inside, it is luxuriously trimmed in velour. Electric windows, sunroof and seat adjustment, air conditioning central locking and on-board computer are all standard. The price is £31,295. BMW GB should have little trouble selling the 70 it will bring in this year to well-heeled motorists who like very high performance

• The prices of the new Toyota Supra (this column, last week) I managed 140 mph for a few are £15.299 for the manual, seconds, with the feeling of a lot £15,999 for the automatic. piston, ventilated disc brakes

Stuart Marshall

Travel

Company Notices

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W1. Paintings and Sculpture by 19th 6
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529-515 10-5,30, Saks. 10-12-30. 01529-515 10-5,30, Saks. 10-12-30. 01529-515 10-5,30, Saks. 10-12-30. 01MATTHIESEN, 7-8 Masons Yard, Duke St.
2, James's, SWI. 8AROQUE III, 16201700. Until 15 August. Mon.-Fri. 10-5.
OMELL GALLERIES, 43a. Duke Street.
2, James's, London SWI. Tel. 01-30, 7744.
AN EXHIBITION OF SCANDINAVIAN
PAINTINGS. AMELLOAT OMELL'S.
PARKER GALLERY, 12a-12b, Berkeley
Street. London WIX SAD (opposite
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The quorum required by law not having been reached at the first Extraorder veneral decing of Sharbudgery beid are july 8th, 1986, the shareholders are invited to attend a SECOND EXTRAORDIN ARY

OF SHAREHOLDERS

to be held on August 25th, 1986, at 15.80 o'clock at the registered office of the Fund, 14 rue Aldringen, Luxembours, with the following agends: office of the Fund, 14 rue Aldringen, International Burns, with the following agenda:

1. Conversion of the company into a "société d'investissement à capital variable " under the law ol 25th August, 1963, concerning collective investment undertakings.

2. Adjustment of the articles of incorporation as a result of action to be taken on the preceding item of this agenda, substantially in the form of the draft articles of incorporation as deposited at the resistered office of the company, where they are available for inspection the taken of the draft on the company.

3. Change of the name of the company.

by the shareholders.

3. Changs of the ame of the company.

4. Extension of the duration of the company.

5. Miscellaneous.

The shareholders are hereby interested that chief second Extraordinary with the shareholders are hereby interested that the shareholders are hereby yobe on the policis of the seemda no matter what portion of the share capital of the Corporation will be present or represented.

In accordance with Linembourg law, resolutions will be subject to a majority of 3 of the shares represented at the meeting, provided however, that at this second meeting, and are shared at the meeting, provided however, that at this second meeting, and are shared to wore for the resolutions proposed above, and provided hurther that in such latter tase the resolutions must be voted by the majority of the shares represented at the meeting of Sharcholders of August 26th, 1956, owners of registered shares should have their majority of the working days prior to the Meeting and owners of constants of the Meeting and owners of opening shares deposit their shares at least five working days prior to the Meeting and owners of opening shares deposit their shares at least five working days prior to the Meeting and owners of opening shares deposit their shares at least five working days prior to the Meeting and owners of opening shares deposit their shares at least five working days prior to the Meeting and owners of opening Sandous Generals Dulley Sandous General

Contracts and Tenders

TENDER FOR

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The Point Salines Intl. Airport (PSIA)

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Tenders are invited for the leasing of a fully equipped air conditioned restaurant/lounge at PSIA. operated by the Grenada Airports Authority, 2 statutory body under the laws of Grenada, with offices located at the airport.

The area to be leased is 1,080 sq. m. with a seating capacity in excess of 100 persons. The bar facility is 144 sq. m. and supporting kitchen, 216 sq. m.

Tender packages containing all details are available from the office of the Airport General Manager, PSIA, St. George's, Grenada Tenders must be submitted in sealed envelopes marked "Tender fenders must be submitted in scaled envelopes marked "render for Point Salines International Airport Restaurant and Bar Facilities," and addressed to the Airport General Manager, Point Salines International Airport, St. George's, Grenada, West Indies, and must reach him no later than 4.00 p.m. on August 15th 1986.

The Grenada Airports Authority does not bind itself to the acceptance of the most economical or for that matter any tender. Lorden Stack Endman Paper, Page

ordinary can give rise to interesting situations, demanding skill and resource. Here is such a hand from a rubber: **4107643** ∵ 10 7 4 2 A 83 +Q7

+982 783 7J962 7654 *KOJ7 +K1052 +J864

○ 1092

South dealt at a love score and bid one heart, North said one spade. South rebid two no trumps — not ideal because of the diamond weakness, but acceptable - and North raised . J 9 5 to three. This was quite unjusting the state of three. This was quite unjusting to 85 to 10 10 3 fable with only six points and 0 A 7 6 to 10 10 2 a suit that was not really 4 K J 10 8 2 4 A Q 7

workable. Sitting West, I led the diamond king, followed with the queen, and a third diamond was won by dummy's ace. The spade three was returned, and This was an error - she should that the knave would fall on hearts, and West said two the next round, as East's play spades.

might well-indicate. East returned the heart two. South won with the ace, and after cashing her two spade honours and the king and

Brand Perifica Brand Perifica CONOIT

spade ten for the ninth trick.

HANDS which seem quite My partner, a good player, could have avoided this fate. After taking his spade ace, he can afford to return a club, That gives the extra trick, but it gives access to dummy when it is of no real advantage. Alternatively, if he leads a heart, he must play the six, not the two. When the declarer plays the king and queen of hearts, he jettisons nine and This gives South an extra heart trick, but now she is endplayed, and must go down. Both sides had a part score of 60 in the first game, when East dealt and bid one spade:

> **4** 10 8 3 2 ♥ 7 4 ♦ Q 9 8 4 3 + 9 4 **♦ K Q 7 6** 7 J 10 3 2 "AKQ96

◇ K 5 2 **4**653 when my partner played the instead of bidding two hearts, ace. South dropped the five. I doubled—partner might have length in one of the minorshave unblocked with one of her and West redoubled. When this honours, on the assumption was passed to me, I bid two

> As the opposition was not strong, I bid a flag-flying three hearts. East doubled, and all passed.

East played the knave, which I felt sure was a false card, and I won with the queen.

East won a second club with

his queen, cashed the spade

king then led the ace of clubs to make dummy ruff, and so protect his trumps from finesse. I returned a diamond from the table to the ten, king, and West won, though she should have ducked. She now made a had error by leading the spade nine, covered by ten and a good spade, discarding my the day after a bad defeat, diamond. Now a diamond from K and K are clearly the dummy caught East in a trump

E. P. C. Cotter

THE THIRD world title match between Gary Kasparov, 23, and Anatoly Karpov, 35, starts tomorrow with a respleadent opening gala sponsored by merchan: bankers Duncan Lawme who also back the England Olympiad team. During the evening at the Park Lane Hotel. K and K will draw lots to decide who plays White in Monday's opening game of the series of 24. Half the London half of the match, nent. the match takes place in London, the rest in Leningrad.

seats will be available on the day of the game. Demand may Karpov followed suit. be high for the first few games. so it will be worth checking with the match office (491 1747) before you set out. ITV will screen programmes three nights after only nine games, was 5-1 a week, while BBC2 will have up after 46 games, then lost two in a row before FIDE President a weekly series.

Facilities for spectators include grandmaster running comspade nine, covered by ten and mentaries by carphone, in-queen, and ruffed in band. Not stontly updated video screens. only did this set up the spade and simultaneous displays by eight as a winner, but it reduced experts. The match should be my trumps and prepared for a well worth a visit, though note coup position. I played the ace that each grandmaster is en-of bearts, entered dummy with fitled to up to three timeouts of bearts, entered dummy with filled to up to three timeouts the diamond queen and played and these may well be taken on the diamond queen, and played and these may well be taken on the diamond spade disparding the days of K and K are clearly the two

> results and ratings, and both are currently in peak form. has beaten Timman and Miles Brussels and Bugojno. The conthe imaginative young tactician who likes to live on a knifeerige, and Karpov, the patient strategist and record winner of tournament first prizes, created some fascinating chess last year and should do so again, Save & Prosper has donated £10.000 as an award for the most bril-

liant game. The prize fund of £300,000 for erors from a frustrated oppowhich in theory will be consiled by Leningrad, comes from the define C.C. and ic. officially

The forced club return not were poor, but I led a club to adjournments on the following 371 per cent to the loser of the Zukertort. Until 1948 the chamonly gave declarer an extra the table. West won with the days and Sundays free. Front overall series. But Kasparov pions chose their own chaltrick in the suit but gave her ten, and led a heart, on which access to dummy, to make the East played the knave, which I healthly in advances and group he would be donating his prize. bookable in advance, and rear he would be donating his prize seats will be available on the to the Chernobyl disaster fund. and after a few days hesitation

ship? In their controversial 1984-85 series, Karpov led 4-0

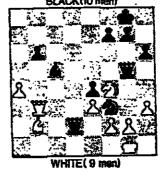
Campomanes declared the match "ended without deci-sion." In autumn 1985, Karpov led 2-1 after ten games but lost his title 3-5 after 24. For 1986 they are again playing the best of 24 with the proviso that the match is over if one side

full 24 games.

It is clear that Karpov has oest players in the world on been strong in the first part of their matches but, as the older man with frailer physique, his Since their 1985 series Kasparov stamina is suspect. Given that there is unlikely to be more in matches, while Karpov has than three or four points won major tournaments at between them after the 24 Brussels and Bugojno. The con-trast in style between Kasparov advantage for Karpov that this time he needs to finish ahead rather than just level. Kasparov is the favourite, and the choice of most grandmasters and commentators. Karpov's best chance to upset the odds is to impose his strategic pattern on the games for long enough to build a lead of at least two

> World chess title matches began in 1886 when the phiegmatic Wilhelm Steinitz defeated

purse a major determinant, and this led to gaps of up to a decade between challenges as well as several mismatches. Who will win the champion- FIDE took over the organisation and established a triennial system of worldwide eliminators, but apart from Botvinnik v Smyslov 1954 it often seemed that one contestant was below form. The 1985 K v K match produced what was by general consent the highest overall standard seen in title play, and chess enthusiasts hope that 1986 will follow with at least one memorable brilliancy.



Sunye (Brazil) v Kasparov (USSR), Graz 1981, World champion Kasparov's imaginative eye produced this diagram. White, with his king in check, went 1 K-B1 and the puzzle is to decide what would have happened after 1 K-R1. The points, then provoke unforced answer is not easy, and a test

of tactical flair. Solution Page XVI. Control of the State of the Sta

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ON

Archaeology: Gerald Cadogan continues his reports on his latest dig in Cyprus

One the grave robbers missed

KALAVASOS, near Maroni siders, were talking to locals try independently to rival the where we are digging, held an about local sites in their region. 15 oz of gold jewellery found in unusual village festival last week. It was chaired by the village president and 400 people gathered for a combination of instruction and a village party There was no time for scholarly organised with a style and gusto not known in the British countryside for decades.

The first such festival was near Paphos last September. This year there will be three in different parts of Cyprus, and several are planned for next year. Lectures, dinner and dancing are the programme.

Dinner was in the square-

lamb, meatballs, potatoes, salad, fruit and drink. The band played and dancers in tra-ditional dress danced. The of Antiquities, Dr Vassos Karageorghis, asked all excavation directors to join in the kalamatiano, if they wanted their permits renewed next Later Cypriot gave way to Elvis when even one of the troupe in vrakes (breeches)

The evening ended with the affle Prizes varied from a dinner for four at the local smart restaurant to a free visit to the village doctor. (The value of that is C\$5 my neighbours told me.)

Before the fun was the serious part, up in the churchyard above the square. Rows of chairs looked set for school prizegiving or a summer party rally, soon after sunset. The village president could only be persuaded to take it off his white flat cap while addressing the Minister of Communications and Works, Mr Rois Nicolaides, whose ministry includes the Department of Antiquities.

Five lecturers talked for 10 minutes each about their digs. Dr Karageorghis abbreviated those in English and French into Greek. It was a test of putting things across, which is why I liked the event. We, the out-

to Hellenistic times, a span of 8,000 years. What had we found? Why was it important? prevarication. The villagers have a good idea of what we find. But for the first time it was all being put together, in less than an hour.

I wish I could imagine such an event in Britain: beef, beer and barrows in Avebury, perhaps. It was an impressive and thoroughly enjoyable way to hear—and impart— archae these two imposing buildings ology. The audience knew all necessary in adjacent river too well the country where the ancients lived. There was every reason to be proud of what had been found, and to stress the (olives and olive oil) and need for reporting finds—and copper and bronze working and not doing ilicit excavations to supply.

Dates ranged from Neolithic a tomb at Kalavasos in 1934.

For the Maroni team it was good to see the finds from a building as grand as ours, at Kalavasos built over the tomb with the gold. Its date is the same (about 1250 BC), Its ashlar (finely dressed limestone) architecture is better preserved, because it has been robbed less—though some went to a Roman hilltop settlement across the valley. More important is that explanations of why new circumstances made valleys must hold in both places. At present, we see that both controlled their towns and food

The north end turns out to be dirided into small rooms, with a floor which rose through accumulation of debris: something we have not found else-where in the building. There is much fallen plaster, a hearth with animal bones, copper furnace lumps and some loomweights. The loomweights held the threads taut on vertical looms. They are of clay and several have incised signs, whose meaning is still a mystery.

With loomweights one looks for concentrations to know where the loom was. In the loomweight basement in the palace of Knossos there were over 400 of them. We do not have anything like so many. But we are finding more carbonised olive pips and more

The plan of our grand ashlar shards of vases imported from building at Maroni grows fast. Mycenaean Greece, possibly in exchange for Cypriot copper. A tantalising fragment is from a 14th century BC krater (mixing bowl for wine and water) with part of a chariot procession scene on it. Cypriots loved to be buried with these vases. which came from the Argolid (where the originals of such scenes could have been wall paintings).

We have had several fragments, but nothing to rival the whole krater from Maroni in the British Museum obtained in 1898. There are also fragments from Maroni at the BM. nourish a hope that one day I shall be able to take drawings of our fragments to Great Russell Street and find they join BM pieces. It is not an utterly

Pits never stop appearing. They are cut down from the surface and are large and deep, the work of the BM team and others when looking for tombs. Yet another pit came up today. The deep shaft goes down to a chamber and we are clearing it out diligently. But we are too late. It is surely robbed. The consolation is a sneak preview of the stratigraphy which the pit has cut through—a great help in deciding what to dig next.

But we have had good luck in an unrobbed tomb 500m away where a major water pipeline (the southern conveyor) is being put through. The 2m wide gulp of the bulldozer lifted a whole unrobbed tomb, probably of the 14th century. We spotted human bones and sherds on the dump, and have spent many days combing it and sieving it. The result has been a fine haul of bowls, jugs, juglets (some of the type that seems to have been used for opium), many bones and a

THE BIGGEST chain of high street off-licences, Victoria Wine — with more than 850 branches—has arranged a tasting of its 15 most popular wines. It provided an interest-ing insight into the current public taste in wine.

There is an overwhelming here in Britain—65 per cent, as against 30 per cent red and 5 per cent rose—so it was not surprising that there were only two red wines among the 15, most of which bore Victoria

Wine's own label.

Nor was it surprising that in terms of volume sale its Liebfraumilch 1984 (£2.29) came top: a medium-sweet, grapey wine with a touch of spritz Not my taste, but I have tasted many Liebfraumich that were less so. I much preferred the French Dry White (£1.99) that came second: clear, fruity and dry. The third, the first red, was the equivalent French Full Dry Red (£1.99), slightly sweet, soft, not much behind it, but easy drinking. Said to have come from Said to have come from Corsica.

The preference for white wines reasserted itself for the next five in the list, led by the Yugoslav Laski Riesling (£1.99) which I found heavy, as if it had undergone some concentration. Then followed Soave (£1.99), heavy-footed sulphury like so many

Number six was the widely publicised Piat d'Or Blanc (£2.89). I had not come upon it before, but I thought it clumsy, lacking freshness, slightly sweet (as intended), with a somewhat "chemical" taste. I much preferred, at number eight the Victoria Wine's Medium-Dry White (£1.99), for though it lacked a little acidity, it really was medium-dry, and better value

for money. The seventh wine, Grants of St James's Lambrusco Bianco (£2.39) I found difficult to comment on, as the sweet, fizzy white wine does not appeal to me. It captured the American market for a number of years, until the even less alcoholic "coolers" attracted the vola-tile American drinking public. In this class I preferred the

Gardening

Wine

Dreary Victoria values



Piemontelo (£2.29) a sweet Muscat wine, slightly frizzante, but with a little more character.

The second red wine listed, in 9th place, was the Plat d'Or Rouge (£2.89), and I found this disappointing too, with a distinctly sweetened flavour: a very commercial wine that demonstrates the power of advertising.
The 12th was another hock,

the Grune Kanne Liebfraumilch '84 (£3.49 a litre), which was sweeter than the other one. with less acidity, but a fair party wine. Then Grants' of St James' Anjou Rose (£2.29), typically fairly sweet, without much character, but a pleasant summer drink, well chilled. Even sweeter, of course, was the Moscat Spumante (£2.79), but good value for those

addicted to Muscat wines. Finally, the Victoria Wine claret suffered probably from lack of * bottle-age, as it was distinctly

I cannot pretend to have been enthusiastic about most of these wines, but such is the competiwines, but such is the competi-tion at the down-market end of the high street wine trade that selection is nearly always domi-nated by price. On the £1.99 70 cl bottle of wine, the duty and VAT amount to nearly 91p, which does not leave much for

and VAT amount to nearly 91p, which does not leave much for the wine, the bottle, the transport and the profit margin. You get what you pay for—and it is worth paying rather more.

This was shown by a small accompanying tasting of Victoria Wine's lesser clarets and Rhônes: not all wonderful, but in a different wine world. The Ch La Tonnelle, Côtes de Blaye 1982 (£3.75) had a good clear colour, and an attractively plummy bouquet and flavour; an agreeable, already drinkable an agreeable, already drinkable claret of a good year. The Ch Malartic, Bordeaux Supérieur 1981 (£3.45) was very closed-up tannic and hard to taste, but may come round in a couple of years' time. The Ch de Jayle, Bordeaux 1981 (£3.45) had an attractive "clovey" nose and flavour: much more ready to drink with pleasure. But the best for me was Ch La Maine. Graves 1981 (£3.85), with a fine colour and aroma, combined with a touch of Graves dryness end elegance.

Of the three Cotes du Rhônes the Las Pas du Meunier 1982 (£3.29) offered a "raspberry" bouquet, a fairly light flavour and easy drinking, but the Cuvée de Deux Perdreaux— 1982 (£3.45) was much richer and fuller-bodied, though less forthcoming at the moment; better if one waits a little before drawing the cork. This was even more the case with the Domaine de Beaurenard 1982, harder, more withdrawn, but fruitier, with more character when it opened out in the glass. Low-level low-price Côtes du Rhônes are rather heavy plodding wines end you do not have to pay that much more for really enjoyable red wines.

> Edmund Penning-Rowsell

IN SUMMER my taste for red meat diminishes. As the temperature creeps up I find the lighter taste of white poultry suits me better and fish seems more appealing than ever. Chicken carcasses and fish

heads and bones in plentiful supply mean that stock-making becomes a frequent and routine ritual at this time of year with the happy result that good home-made stock is pretty well permanently on tap.

Making stock is really no trouble for the cook. It can be done in the cool of the evening and you need only to give an occasional glance at the pot as it bubbles away quietly in a corner of the kitchen.

into making stock is rewarded one hundredfold: the difference good stock can make to cooking really revealing. If you don't believe me, try making the same recipe on consecutive days, once using a stock cube and once using the real McCoy.

The simpler the dish the more the quality of the stock is shown up. Really good stock is well worth serving as a broth in its own right. Soothing, nourishing and deliciously pure, it makes an admirable first course for dinner—and with small embellishments you can create

soups galore.
As with omelette fillings and additions to basic risotto, which are best treated as little more than a garnish, so should the embellishment of stock be small in quantity.

If the broth is to be served hot, I might add the finishing touch of a scant spoonful of stelline (miniature pasta shapes purpose made for soups), or just one raw scallop of mushroom sliced wafer thin, or the astringent orange petals from a single pot marigold. If the weather plays fair, I might serve the broth chilled to a soft ielly, topped with a soupcon of soured cream and a scattering of fresh green herbs or a few salty-sweet prawns.

The recipes which follow are for more substantial soups. They are just right, I think, for serving as light lunch dishes in their own right, with good bread on the side and fresh fruit to

EGYPTIAN SALAD SOUP (serves 4)

The leaves and seeds of coriander make this soup deliciously aromatic, but I think it is a mistake to use much of

pt good chicken or fish stock; generous 1 lb

PEOPLE keep asking me how to prevent their daughter's pony paddock from becoming a

jungle of weeds and rank grasses interspersed by small patches of grass grazed into the

very soil. There is no easy

answer. It is all to do with

the physiology, and perhaps the psychology, of the equine

Cattle and sheep have only

front teeth on their lower jaws

and bite on to a pad on the

upper. Horses have matching top and bottom sets, which

means that they can graze much

shorter than can other herbi-

vores. A horse's bite can be

quite nasty and is used as a

weapon of defence or offence.

Horses will sometimes attack

tree bark and can make quite a of ornamental trees,

Cookery

White and light



tomatoes; half a large cucumber: I tub Greek ewe's milk yoghurt or generous i pt low fat yoghurt; I hard-boiled egg: a few coriander leaves and seeds; cumin seeds; salt and coarsely ground black pepper.

Skin all the tomatoes. Cut half of them into quarters and scoop out the seeds and pulp. Reserve the tomato shells. Put the tomato pulp and seeds into a food processor or blender together with about a tablespoon of roughly chopped fresh cori-ander leaves. Whizz to a puree. Add the whole tomatoes and whizz again. Gradually blend in the cold stock then the

Cut the reserved tomato shells into dice. Seed the cucumber, but do not peel it, and cut the flesh into dice-about the same size as the tomato dice. Mix the two vegetables together, season them with plenty of salt and freshly ground black pepper and stir them into the soup. Cover and chill for several

The first rule for a horse pad-

dock is to make sure that the

live hedge is protected by wire

or a post-and-rail fence to en-

sure that the animal doesn't

eat its way out. It is a duty

in law for every animal owner

to fence against his own stock.

feeders. They don't like eating

grass where they have dunged,

so they stick to small areas

which they have kept tightly

grazed. The best studs employ people to pick up the horse dung for disposal elsewhere.

Horses are very dainty

To make the garnish, put I heaped teaspoon each coriander and cumin seeds into a small frying pan and toast over medium-low heat until spices are aromatic. Pound the seeds lightly with mortar and chopped hard-boiled egg.

Sifting and sorting: progress at the Maroni dig

Check the soup for seasoning and add extra stock or yoghurt to taste. Serve the soup in well chilled soup bowls and garnish each with a sprinkling of the egg and spice mixture and with a few coarsely chopped coriander leaves.

> SATIN SOUP (serves 34)

ingredients list and method use chicken stock and chicken meat but fish stock and firm flakes of delicately cooked attractive soup if you prefer.

11 pt good chicken stock; d teaspoon mild curry powder or paste; } pt creamy (Greek strained yoghurt for preference): 1 lemon; 4-5 oz white grapes, 2-3 oz cooked, skinned and chicken (optional): a few fresh mint leaves (optional).

Put the curry powder or paste into a saucepan. Cream into it a little of the chicken stock then pour on the rest. Add a little grated lemon zest and a teaspoon or so of lemon Bring very slowly to simmering point, just stirring occasionally. Draw the pan to one side, cover it and leave until almost cold.

Strain the liquid through a muslin-lined sieve to extract spicy sediment and lemon zest then beat it gradually into the chilled yoghurt. Check seasoning and add salt, pepper, more lemon and/or spices to taste.
Aim for a cool creamy spiced
effect, not a "curried" taste.
Chill the soup well before
serving. (If good jellied stock was used to make the soup the soup will set to a soft jelly if refrigerated for several hours so you may need to whizz it in a blender again just before serving to give it good spooning consistency. sometimes add 4 or 5 table-spoons unjellied stock or water

at this stage.) Serve the soup in well chilled soup plates or cups, into each of which you have placed a few freshly peeied. halved and pipped grapes, pius perhaps a few slivers of chicken meat-breast meat for preference—and fresh mint leaves.

Philippa Davenport

with sheep and calves. I con-

trolled the pasture growth with

the stocking rates and found

that the horses did not mind

But occasionally a horse - or

more often a pony — develops aggressive tendencies towards

other livestock, picking up

calves and lambs by the scruff of the neck and galioping

around with them, or trampling

On ungrazed portions of the

paddock the dung is much to

grazing the mixed sward.

lambs to death.

Professionals offer plain horse sense

Country Notes

twigs but seldom attack the farm house and mixed them

Wilder flights of fancy that ANIMAL fables are out of fashion; nowadays, no one thinks that birds and bees can

prophecy. The animal kingdom is not to be confused with humans. Yet, in the past few Uxford college where I oversee the gardens. You might think it is a peaceful time of year, The exams are over, the undergraduates have been crammed into classes, the Government will be giving us our stars for achievement in the coming week, while the public thinks we are all doing nothing.

In the garden, there is no respite. The colours of our long border need rethinking; am planning to abolish pedding-out beneath the chanel: and there is the continuing problem of the brown rings on the lawns caused by undergraduates who hold little tea parties in the open, and put not teapois on the grass.

It would be a time for these problems, if the animal kingin the high winds last spring.

A gale caused one of our and gifted at entering his clderly fellows to keel over, a fine old chestnut who had been unobserved."

Nuthatches, are academic wood: it has the texture of squashy papier mache.

While I was squeezing it, the deates, like everyone else's do one of our and gifted at entering his onens took a more sinister at times, resemble this type of will have to be postported for the cuts: then True, we in Oxford are the signs of new decision: it always voting and perhaps our might well be that my plans debates, like everyone else's do to replace the bedding plants will have to be postported for the signs of new decision: it always voting and perhaps our might well be that my plans of the course of course are times, resemble this type of will have to be postported for the signs of new decision: it always voting and perhaps our might well be that my plans of the course of the course of the course of the signs of new decision: it always voting and perhaps our might well be that my plans of the course of the c dom's portents were not so

guarding one entrance through admirably suited to academic hives of activity, but one lanrecently changed our leader,
Oxford's City Wall. His collife. They are also a protected term in the middle of ours but harmony prevails and I
lapse brought on to the species, so the cut had to stop became the sudden support for cannot think that the owen premises a tree doctor, who promptly ordered that a second fellow would have to be phased

weeks I have begun to wonder. out, too, another chestnut who Portents are appearing every had been guarding another where and perhaps you can entrance through the wall. help me to read them correctly. Admittedly, he had sprouted They centre on my university; more particularly, on the below his waistline. He had oced entirely healthy by a tree surgeon only six months before. Inevitably, his hour had come.

Reluctantly, we agreed to make a cut. We handed the job to executive experts and realised privately that it would end in total destruction; once the rot gets into an elderly fellow, there is no point in stopping halfway. We would not have stopped had there not been unexpected life in the old

Halfway down the tree trunk, as the chain-saw was taking a rest, the air was broken by frantic sounds. Out from the bark flew a pair of nuthatches, parents of a young and immobile family. The nuthatch, says my bird book, is a "shy,

while the nuthatches sorted out

their problems.

At first, they seemed de-lighted that the older wood above them had been hacked out. They flew to and fro with between mem to mes two renewed vigour, squeaking, essentials—the lavatory and the fluttering and bursting with stairs to the don's dining dealing with swarms; one suggestion was that we should all

Robin Lane Fox finds strange portents and takes an academic interest in their meaning

their entire family. Enough was

became the sudden support for a bee swarm. There, the bees dangled like a bunch of grapes while the outer members are busy members of the detached themselves, threaten European breed. The zoologists ing anyone who tried to pass

think but a swarm is different. It occurs when one they swarm round the elderly reports their members try to work out

which way to go.
While they dangle, they are enough; they were seen flying look for possible new homes; westwards, as if to cross the Atlantic. If there are elderly order to attract support for chestnuts in Princeton or Calilook for possible new homes; why exactly has it gone west? then, they return and dance in Did it know that the future order to attract support for lies with busy swarming order to attract support for their particular location. The fornia, please check them for masses buzz their reaction; nut hatches in about a month's their rivals start their own

but harmony prevails and I cannot think that the omen concerns that. Rather, I note from their stings that the bees are busy members of the also tell me they are all

them until the bees could be captured. Nobody found a gong part of a hive becomes dis-satisfied with the other. Away a new consensus, There were that they had conqueen who is their figurehead, sidered heading for the new They hover, undecided, while centre of engineering and centre of engineering and science but, being females, they probably opted for English Lit. and a library, instead,

While they dangte, they are indulging in a pattern which is now described as voting. The of the nuthatch; what, though, does it know that I do not and the indulging has it gone west? females, avidly checking their options before voting on this or that? What is the significance time.

dance. Eventually, a bee of this split in the academic bown came the rest of the consensus emerges and the hive, and a rival queen among chestnut and I had the swarm unites behind its queen a multitude of bee-minded pleasure of fingering dead and a new direction.

dance. Eventually, a bee of this split in the academic hive, and a rival queen among chestnut and I had the swarm unites behind its queen a multitude of bee-minded voters? First, the cuts: then

How to avoid peony dreadfuls

LATE July might seem an odd time to write about poenies since they are not in flower. Nor is it time to plant them unless obtained, well established, in containers.

I do so for two reasons. The first is that twice in recent these past few years.

weeks, when visiting gardens, I have been pulled up in my strice by poenies that were not in bloom; the second because I have just seen the Bressingham Garden Centre in Norfolk and came away with as fine a plant Japanese tree peony as you could wish to see, one of a range of Japanese varieties that Bressingham has been featuring What so caught my eye in the

easily drift and murder some-one else's roses or cabbage

li i were maintaining a good

horse paddock I would institute

regular cutting with a gang

mower so that the weeks never

go to seed and this would have

the added benefit of scattering

the dung. However, it is doubt-

ful if offspring can be persuaded

to do all the hard work needed

My advice to anyone contem-

plating a pony paddock would

be to invest the purchase capital

to provide an income to which

should be added the estimated

maintenance cost either with

your own or hired labour. Then

find a stable where it could be

to keep the paddock tidy.

Paeonia mlokosewitchii, a lovely Chinese plant that I know well and have long been recommending for its flowers and foliage. It is herbaceous but differs from all others of this type in having primrose yellow flowers. They are large and goblet shaped with a central tust of golden anthers, and the leaves are a delightfully cool and restful grey-green covered in short, soft down. The fat three-parted seed pods displayed well above the leaves match them in colour.

Although this has always been a connoiseur's plant and relatively unknown to the general gardening public, there is no reason, other than its impossible name, why this should be so. It is easy to grow and someone should really break all the botanical rules and give it an English name that everyone could remember

and pronounce.
I was amused to meet it again a week or so later in a Somerset garden and to be introduced to it by the owner with a perfect rendering of its name. When I complimented him on this, he replied: "Oh, I have to practice that name because every visitor asks about the plant,"

Paconia mlokosewitchii, although unlikely to be in the average nursery or garden centre, is not difficult to buy from specialists like Kelways of Langport or Bressingham Gardens.

The other peony that so the liking of the annual and looked after by professionals. It impressed me with the beauty five fut seeds for a very modest perennial weeds. Sprays will would probably save a lot of of its foliage and seed pods price. He collects them and kill many common weeds but morey incubic and strife. impressed me with the beauty

excellent Perennial Garden Plants (published by Dent). It comes from the Balaeric Islands and is called Paeonia cambessedenii. It is another herbaceous kind and, I am told, has fairly ordinary rose pink flowers, but the stems and seed pods are crimson and the leaves a very

deep green. Thomas describes it as "for picksome people," a curious phrase but I know exactly what he means.

be in London on one of those days late in April or early June when Walpole Honse in Chiswick Mall is open to the public Scheme; for that was where I saw it and its owner, J. H. Walpoie, sold me a packet of

West Road. Next door is Strawberry House, home of the Countess of Rothes, with another exquisite garden and plants, not seeds, for sale. Both from a division, a reminder that gardens are open on the same day.

And so to Diss and the Bressingham Garden Centre, which opened last year and is already a huge success. Here, people can buy in containers most of the plants that have delighted them in the Bressingham exhibits at Chelsea, Liverpool and other places. Of course, you could always get them by mail order from Bressingham Gardens; but at the new centre you can get bigger plants well established in containers for planting at any time of year. You can choose your own, pick-ing (if you are wise) those with the most branches or stems, not necessarily the most flowersthese can come later when the plants are established in your

own garden. That is precisely what I did, having previously failed to establish a tree peony sent to me by carrier. I chose one Should you have an over- named Sitifukigen (translated whelming desire to possess it, I as the Seven Gods of Fortune), can only suggest that you try to not because the label described it as having mammoth, nearly fully double light carmine flowers but because it had sometimes closely packed shoots sprouting in aid of the National Gardens all up the main stem beneath a

good canony of leaves. Blooms of Bressingham imports these plants direct from Japan, where they are grafted

two private gardens was the me, although I must have read Chiswick Eyot in a setting as make roots of its own above beauty of the foliage and seed its name in erudite garden rural as any Sussex village, yet those of the herbaceous peony pods. In one, the species was books such as Graham Thomas's only one street removed from and that this will make it a the roaring traffic of the Great much more permanent and vigorous shrub.

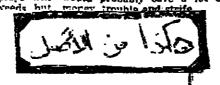
At Walpole House I was shown a fine old plant of a tree peony that had been grown some forms of the plant do form suckers freely. It might be possible to raise a race of tree peonies with this characteristic, which could then be reproduced cheaply and reliably by detaching rooted suckers. It could change the future of these beautiful shrubs as gar 'den plants.

There is a contradiction in the Bressingham plant labels for tree peonies that requires some explanation. The wording reads "Protect from spring frosts. All varieties are fully hardy." We are back at our old difficulty about the meaning of hardiness.

The woody stems of these tree peonles probably are proof against any cold likely to be experienced in Britain, but the young growth is certainly not and can be damaged severely by spring frost: In China, no doubt, the seasons are demarcated clearly and tree peonies; I remain dormant until all danger of frost is over. In Britain it is quite different. Alternating spells of mild and cold weather encourage premature growth. with disastrous

So you have the paradox that tree peonies may seem hardier in cold than in mild districts. Certainly, they shilld be kept out of those shellered hollows onto the roots of the herbaceous in which cold 189 can collect

results.



The wrinkle is a goddam serious disease. The anguish wrinkles cause is worse than heart disease. Who gets up every morning and worries about cancer? But everyone worries regularly about wrinkles'

Read between the lines

BEAUTY treatments used to be Some may think such concerns aimed at dealing with damaged work by causing minute, sub-different but it is devised by poets. Remember frivolous but even Dr Albert skin emerged about eight years clinical irritation, that this same technology Ovid's far from alluring sound- Kligman, professor of Dermaing potion, designed to make a tology at the University of woman's face "glow, smoother Pennsylvania School of Medicine than her mirror." Barley softened in beaten eggs, pulverised with stag horn, narcissus bulbs crushed to pulp and not universally loved by the cosmetic houses, thinks ageing skin a very valid worry. "The wrinkle," he says, " is a goddam serious disease. The all mixed together with spume of red niter (whatever that might be). Today, except for that dwindling band of women anguish wrinkles cause is worse anybody who gets up every who use nothing but soap and morning and worries about water, our complexions are in cancer? But everyone worries the hands of the cosmetic houses, who could have taught regularly about dry skin and wrinkles." Ovid a thing or two about imaginative ways with words.
The difficulty today for an ordinary woman just hoping to

The causes of ageing have long been identified (damage from UV rays, A and B, hereditary factors, drink, diet, smoking, pollution) and there try and look her best is that she is spoiled for choice. Faced are some quite simple ways of with the average beauty
1. counter, piled high with
enticingly packaged pots full of keeping it at bay. To quote Dr Kligman again: "If you wanted to keep your skin as young as it was on the day that promise, where do you start? What has made it so much you were born, ideally you'd wear a total sunblock and harder to decide is the arrival on the scene of a new breed of smear yourself in petrolatum hi-tech products. The white (that is Vaseline)." The trouble coated men in secret labora- with that advice is that it's tories have taken over from alluring women like Helena Rubinstein and Elizabeth Arden fairly anti-social and it certainly

What many of the cosmetic who headed the old-style empires selling glamour and gloss. Today cell rejuvenation, companies have done is to provide us with much more aesthetic ways of doing the free radicals, DNA and antisame thing and there is a whole ageing are the buzz words. It's raft of products that will keep out the sun and give the same This has been sparked off by sort of protection as Vaseline. a growing awareness that the

The other trouble is that most of us have been systematically abusing our skin for years (the anti-sun lobby is fairly new) and much recent research has focused on how to repair have become major preoccupa- damage already done.

cellular renewal (La Prairie brought out the first one, since then we've had Elizabeth Arden's Millenium, Vichy's Vichyderm, Laucome's Progrès, Estée Lauder's Night Repair Cellular Recovery Complex and than heart disease. Do you know many more). The theory behind



these is that if you can repair a damaged cell before it dies it has the chance of multiplying (cells multiply by dividing in two, those two then divide into four and so on). As a significant difference between younger skin and older skin is the rate at which cells renew them-selves, a treatment that could encourage cellular renewal should result in a younger looking skin.

There seems no doubt that these products work and there is many a woman who today wouldn't be without them. Even the redoubtable Dr Kligman admits that they work but he has reservations as to the longterm effects. He believes (but has not definitely proven) they

ago and these could broadly be irritation leads to a slight the cellular renewal creams called the ones based on oedema or swelling, which that have been around for

needless to say, dispute this. They point out that so far there very non-specific research and that no company with an international reputa-tion at stake would dream of putting on the market anything that they knew caused damage. Ball in Dr Kligman's court.

After the cellular renewal "break-through" came the serums—these are based on ducts that are based on years similar notions of stimulating of serious research (much of cell renewal but are not which has profound implicadesigned for continuous use, tions for cancer research) the They are described as "holidays" for the skin, shock treatments to revitalise it and you dip in and out of them when the skin seems in need of a tonic. Most houses have a serum to offer—Clarius has its Double Serum Multi-Regenerant (£32.50) which is a particularly good one.

This summer's hullabaloo has, of course, centred round Glycel, the range endorsed by Dr Christiaan Barnard of heart surgeon fame, claiming to be the key to "skin rejuvenation." From the pained expressions in the beauty world it is obvious that the consensus is that Glycel has pulled off one massive, undeserved publicity coun.

As one knowledgeable expert in the beauty field said wearily:
"While it is a perfectly efficacious cream there is nothing new about it. The active ingredients may be slightly

oedema or swelling, which that have been around for causes the skin to look plumper and thus younger. that have been around for ductory facial kit of five products I guess most people were hoping for something more exciting

What really does seem to represent a break-through and is causing much excitement are two new products due to land on the shelves in September, just in time to catch the post " keep - up - the - good work euphoria. Dior and Lancome are launching Capture core of which is a breakthrough in transporting rejuvenating ingredients into the epidermis For years there have been marrellous ingredients around but they have sat on the surface of the skin—helping them to break through the cell's membrane was the challenge.

dients) has the same structure as the epidermis and once it has In their different ways Dior Lancôme seem to have cracked it. Dior uses substances called liposomes to transport phospholipids into the cell As the liposome molecule goes

on its merry way down through the dermis, it discharges its anti-ageing ingredients into the cells. In its press pack Dior provides impressive evidence of carried out in the US and in Japan, which point to reductions in wrinkle depth, improved texture and thickness of skin (old skin tends to be thinner skin) and improved

"luminosity."
The Lancome system uses roughly the same technology except that in this case the transporter itself (the "motor-

carrying the active ingre-

carried its anti-ageing ingredients into the cell it becomes absorbed into the intercellular gaps, filling in the pockets caused by ageing. The Dior transporter seems to "selfdestruct.

Dior's Capture will sell at £39 for a 30ml pot, Lancome's Nio-some (endorsed incidentally by Dr Kligman who likes it because he tells me "it is a very innoceut cream, it is non-toxic and has no inflammatory action") will sell at #13.50 for a 30ml pot.

you'll have to wait until September 1-what can you do in believing it is all no more than the meantime? Above all, pro- a confidence trick, designed to tect your skin from UVA and B play on women's insecurities Tays. Most companies now have moisturisers that will filter them out. Keep your skin scrupulously clean-many beauty
houses suggest ex-foliating
(getting rid of the dead cells
that sit on the surface) about

If you've got a skin which tends to be oily, especially in this humid weather, there are oil-free moisturisers - Clinique do a good one. If you're dehydrated, use of moisturiser, if wrinkles are on the way but not yet settled use a product like Lancome's Progres, if you can already see the wrinkles you need Progres Intensif Rides. There are no doubt some

sceptics still unconvinced, still and part them from their hard-earned money. Me, I prefer the evidence I see all around me, which is that those who take

The scientific evidence backing both Culture and Niosome seems very impressive. What many readers will want to know, though, is—what do those who have used it think? I've asked some colleagues to volunteer themselves as guineapigs and will report back in a few weeks time. Watch this



all very serious stuff.

prize for the cosmetic house

that can really crack the prob-

lem of ageing skin will be

s:upendous. As we all go on

living longer, health and beauty

SOME of the totems of youth culture on show in the Boilerhouse's latest exhibition, British Youth Culture. Left: Dr Martens boots and shoes. originally devised as an orthopaedic aid, became an enduring part of teenage stule—authentically workingclass, comfortable and affordable. Right: lcather jackets besides offering protection from the weather pecame symbols of rebellion and non-comformity. When Marion Brando wore a black leather jacket in "The Wild

For the mods, who scorned the rockers' bikes and leather jackets as dirty and oldfashioned, the Lambretta originally designed for the newly mobile workers of the Italian recostruzione, seemed to meet their needs. Levis, olive green parkas and Hush Puppy shoes became standard mod wear for riding the Lambretta. The "Edwardia Look," misappropriated by the Teds in their search for sartorial significance was typically mixed with elements of cowboy style.

bikes, leather and bad boys became inextricably linked.

When you're young at Art

title, British Youth Culture, sounds rather like somebody's dusty thesis but it is, in fact, a typical Stephen Bayley pro-duction-lively and provocative, bound to raise eyebrows if not hackles, but never a dull

The problem with looking at something as potentially enormous as British Youth Culture is that we have all been young once (although you will be interested to know that, according to the introduction, nobody before 1939 had a youthwe can all relate.

When it comes to Dieter Rams' exquisitely logical A certain Eugene Gilbert rest of the human race as . . . solutions for Braun or the evo- seems to have been largely to simply people.

Lution of popular taste most of blame. He it was, Helen Rees This is not to say that some

THE LAST of the Bollerhouse us are prepared to accept the tens us, who, while said the belonging to the youth cult are exhibitions in their present Bayley view—or, at least, give ager himself, "invented" the belonging to the youth cult are home at the Victoria and Albert him the benefit of the doubt.

When it comes to youth we all that they were merely the that the essays (by Helen to the comes to youth we all that they were merely the that the essays (by Helen to the comes to youth we all that they were merely the that the essays (by Helen to the comes to youth we all that they were merely the that the essays (by Helen to the comes to youth we all that they were merely the that the essays (by Helen to the comes to youth cult are the comes to youth we all that they were merely the that the essays (by Helen to the comes to youth cult are the comes to youth we all that they were merely the that the essays (by Helen to the comes to youth cult are the comes to youth cult

What we have here is youth' treated as some ghetto specimen, as a quite separate part of the human race, defined almost solely in terms of spending power and consumer patterns This is youth where the most meaningful moment comes when a purchase is made. This vision of a world where "meaning, no longer confined to art and literature, was transferred to patterns of consumption" is not one I recognise.

What people buy and when is "youth is something new, a pro-duct of the surge in mass ularly, of course, to those who culture after the Second World wish to sell them things) and War") and, therefore, the I am sure its study has a matter is something to which genuine sociological role to play. But am I alone in finding its significance over-played?

Eugene Gilbert made a fortune illuminating things to say.

from his little apercu. He set up shop as Gil-Bert Teenage Services, offering insider infor-mation on how to sell more goods more efficiently to fellow inhabitants of his teenage ghetto. Today it would be called This particular niche, how-ever, is one that advertisers and manufacturers, it seems, are having increasing difficulty in reaching—its moods and

sensitivity make it a curiously unreliable source of revenue. Perhaps, I offer the thought, it is an outdated notion? All those centuries we got by quite happily without teenagers— maybe, like the dinosaur, they've outlived their usefulness and they've rejoined the Museum, London SW7, until

When it comes to youth, we all that they were merely the that the essays (by Helen have a view. While but a 19-year-old Rees) do not have some very

Like all of Bayley's enterprises, it has verve and vivacity; and to keep our interest in an area where all about us are losing it is to say a very great deal. He has managed, in his years at the Boilerhouse, to take a subject as potentially stodgy as design (which has a quite remarkable facility for turning-off otherwise upright citizens) and make it into quite

a hot potato. The reincarnated version of the Boilerhouse is scheduled to re-open sometime in 1989. What in the meantime shall we do for hot potatoes? British Youth Culture is on

at the Victoria and Albert

L.v.d.P.



COWSLIPS

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OXLIPS Primula Elatio

The true wild primrose yellow sweet fragrant British oxlip this being a cross between the primrose and cowslips. C. E. Enderson & Son are now booking orders for delivery during July. Post paid to include their list containing over 50 wild flower seeds, and a number of wild flower plant varieties. 12 plants £4.50, 24 plants £8.00, 50 plants £17.50, 100 plants £34.00. Special quotations for large planting programmes. Nursery trade enquiries invited.

LEYDENS NURSERY, HARTFIELD ROAD EDENBRIDGE, KENT TN8 5NW

Customers able to visit the nursery will normally find that they are able to purchase at lower prices for collection

A NEW category of items has recently crept into the London auctions of costume and textiles: luggage containers of outstanding quality. In their sale of July 29, for instance. Christies' South Kensington includes a pigskin zip-up bag, a crocodile suitcase and three trunks made by the firm of Louis Vuitton which are estimated to realise as much as £700 each. Three more Vuitton

Christies

August 19. It is anyone's guess whether the potential buyers are collectors, or travellers who want quality but cannot afford Bond Street prices, Although as a collectible old travel baggage presents obvious problems of storage and display,

transport do not display, as an

trunks appear in es' costume sale of

various parts of the vehiclesome for example were devsed to do double service as the driver's footrest Tough iron banding had to withstand the vibrations of rough roads and

Upmarket bag ladies rule OK

elaborate wardrobe trunks, stones and "fin semaine portBaggage was made to shipping manteaux." They came with fifty shops around the world. In 1837, as a penniless 16-yearWorld War shops supplied what Ranelagh, the Colonial, the world and orient Westminster. Verilite and vinces to Paris, where he was style of elegant, find, rational, respectively to this day, with more than a crease from the cases in which fifty shops around the world. In 1837, as a penniless 16-yearold Louis walked from the profactory in 1854, initiating a new style of elegant, flat, rational, respectively to this day, with more than a crease from the cases in which fifty shops around the world. In 1837, as a penniless 16-yearold Louis walked from the prowere called "P & O and Orient Westminster." Verilite and vinces to Paris, where he was Regulation Trunks," with a Watajov, standard depth of 14 inches, cal-Louis Vuitton was the unchal-

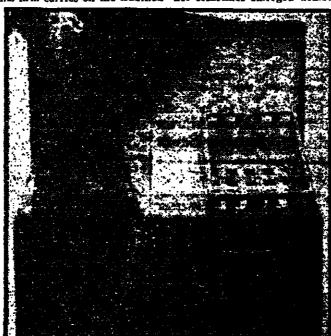
Early in the century a new generation of luggage was developed to strap onto the back of changing social and travel-cars. Meanwhile, the needs of ling habits. It is indeed sur- the colonial services had to be prising that more museums of supplied: the 1908 Army and Navy Stores Catalogue lists integral part of the incidentals "Air-tight Uniform Cases for and evolution of travel, the India and China," as well as development of the luggage bullock trunks and mule carried by voyagers.

In the stage coach era. Lord Wolseley," with their trunks werendesigned to fit the wicker bodies shaped to the

flanks of the animal. The travellers' paraphernalia of eighty years ago were very different from today's carry-on hold-all. The well-to-do thought the domed top characteristic of nothing of travelling with the period was designed to disperse the rain in bad weather. luggage. The Army and Navy Natural pony skin with the supplied containers for every hair left on to make it more need: dress cases, suit cases, honnet and hat cases in great waterpixof was a favourite variety (including a model with hope growth of luxury specially fitted for a single class passenger sea travel in straw boater), stick cases, shirt the 19th century came the de-relongent of the flat-topped and bullion cases, not to speak

culated to fit under the cabin lenged king of baggage makers of packing for the Empress berths. There were likewise throughout all this period, and Eugenie; and it was said that Pullman standard trunks and his firm carries on the tradition her crinolines emerged without

apprenticed to a trunk maker. As a young man he had the job



Collecting

canvas-covered trunks. By the 1870s he had several royal appointments and a whole dis-play of Exhibition medals; and in 1885 he opened his London branch, which is still at 149 button to the Bond Street Bond Street. The incomparable Vuitton wardrobe trunk was produced from the mid-1870s.

On his death in 1892, Louis was succeeded by his son equipment that contribute to the Georges. It was Georges, who in making of their products.

1896, irritated by imitation of Those of us who will never be 1896, irritated by imitation of his products, introduced the chle to shop at Vuitton can if we uniform design of canvas covering, with the repeated LV monogram, which has served almost unaltered for 90 years.

Vuitton could always rise to a challenge of a special order. For the African explorer Pierre Savorgnan he supplied a trunk only 27" × 16" × 17" that contained a folding iron bed complete with hair mattress, sheets and blankets. A set of three trunks held the dismantled parts of a tilbury carriage.

Other surviving Vuittor custom jobs include a trunk with individual drawers to hold: 56 pairs of shoes, made for Lily Pons; and Leopold Stokowskr's travelling trunk, which opened up to reveal book-shelves, special receptacles for documents and scores type-

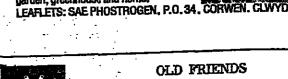
extravagant dressing case of crocodile lined with sealskin and fitted with gold, crystal and tortoise-shell was exhibited at the 1925 Paris Exposition des Arts Decoratifs and later dedicated to the opera singer

Marthe Chenal. Vuitton has never catered for hoi polloi. Rather it exemplifies Robin Hood character of the few great Bond Street shops, which divert the money of the rich (and perhaps ostentatious) to subsidise and maintain stand-ards traditions of fine and costly bution to the Bond Street tercentenary celebrations, Vultton has currently a special dis-play window with a craftsman's bench and all the materials and

wish console ourselves with the examples at Christies, shabby with use but unmistakeably distinguished. The earliest of those in the first sale dates from the 1870s, with a very low registration number. (All Vuitton cases carry a number, and owners have a single key which fits every piece of their bag-gage.) It is covered with striped material, but the original compartments are missing, which is why it is only estimated at £150-250.

The example illustrated was a present to a bride of 1908 from her father. It has all its original fittings and the monogrammed covering material and, clearly with years more service left in it, is estimated to realise between £500 and £700. Tener More More





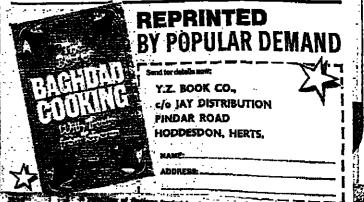


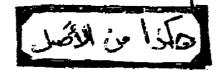
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A wife vindicated

THE BONDAGE OF LOVE: A LIFE OF MRS SAMUEL TAYLOR COLERIDGE

by Molly Lefebure. Gollancz, £15.95, 287 pages

THIS IS an unsurprising book but not an uninteresting one. Its thesis is clear: the wife of a genius must expect more than her fair share of trouble particularly if the genius is also suitable. an opium addict. The literary The gilding in this case is Mrs included Sarah's sister. Edith, Coleridge's need for character who married Robert Southey. rehabilitation in the wake of the never came to anything for lack years of memoirs, letters and of money and/or organisation biography which have generally but it is intriguing to suppose accepted her husband's view, the author of the Ancient endorsed by the earlier impres- Mariner against a background sion of the Wordsworths (frere of the New World, Instead STC and soeurs that it was intract- (as he liked to be called) and ability, spleen and lack of sensi- Sara (he took the "h" off her tive understanding in the poet's name) found the simple life wife which hastened the poet's

tragic decline. Unsurprisingly this was never the true story. Mrs Coleridge certainly possessed the indomitable character of the Victorian matriarch but she was also extremely well educated, acting as tutor to her own and Robert Southey's children, and additionally had imagination enough to create a fully-fledged nonsense language for the enter-tainment of her discriminating circle of poets and writers.

Coleridge's expectation of a Coleridge's expectation of a was generally agreed by ins wife must always have been friends, caused his sensitive with her beautiful daughter, also domed to disappointment. In the such damage that when the marriage he repudiated the new Mary Wollstone-during his absence abroad, Sara Samuel Taylor Coleridge, not the information of a was generally agreed by instance, and the sensitive with her beautiful daughter, also called Sara, who married her distributions of a was generally agreed by instance, and the property of the information of a was generally agreed by instance, and the property in the property of the information of a was generally agreed by instance, and the property in the property of the in Hampsteau with her beautiful daughter, also called Sara, who married her distribution of a was generally agreed by instance, and the property is a sensitive with her beautiful daughter, also called Sara, who married her distribution of the property is a sensitive with her beautiful daughter, also called Sara, who married her distribution of the property is a sensitive with her beautiful daughter, also called Sara, who married her distribution of the property is a sensitive with her beautiful daughter, also called Sara, who married her first cousin, Henry Coleridge.

ST HUGH'S: 100 YEARS OF WOMEN'S EDUCATION IN

OXFORD.

delights.

speare's view that it was "the as she was born, was never that

nor, since Coleridge's first demand of her was to leave England and set up a Pantiso-cratic State of perfect simplicity in America, would a milk and water miss have been very The emigration plan which

in a small, unheated, unfur-nished cottage whose lack of space and facilities became even less paradisical with the birth of two sons in quick suc-cession. STC, whose brilliance was never disputed and whose charm only failed him unler the worst influence of opium addiction, soon found friends, principally with the sympathetic Wordsworths who did not expect bim to be a father and wage-earner. Responsibility, it was generally agreed by his Southeys to live in Hampstead

"a compassionate Comforter... jects"—her pathetic words. In innocent and full of love." He also liked to quote Shake for the funeral.

One of the interesting aspects perfection of every woman to be . One of the interesting aspects characterless." Sarah Fricker, of Sara Coleridge's character was that, despite this and many other examples of her hus-band's uncaring behaviour she never ceased to believe in the importance and fundamentally loving nature of their relation-When he returned from ship. vears of miserable wandering, during which time he blamed her for everything possible and even tried at one point to remove the boys into his care a plan foiled by the Wordsworths with whom he was living at the time—she always wel-comed him back. She was, indisputably, as he was not, a

> This, possibly, was the seed of STC's resentment towards his wife, exacerbated by the vindic-tive distortions of the opiumdiseased mind. As a survivor. through the terrible Victorian sagas of death, disease and madness in her most loved friends and relations, Mrs C (as she was finally, fondly known) did have her reward. In old age her husband was restored to her-although, happily, not as far as her place of habitation. Mrs rotund and energetic, left the North and her home with the



Sara Coleridge . . . maligned by history

uncle/father-in-law and grand- Lefebure has constructed father.

Sadly, he left a doppelganger behind him in the shape of Hartley, his eldest alcoholic son, who inherited his father's addiccraft idea of feminism for the was persuaded not to inform many streets away in Highgate, tive personality but only a conviction that a wife should be him of such "disagreeable sub- became an almost regenerate portion of his talent. Molly

father-as he had never been brave, well argued and wellresearched defence of a good woman but often, perhaps inevitably, it reads like the drama of Hamlet with the Prince of Denmouthing from the

mark wings. Rachel Billington lems for women and her alignwith conservative feminism are models of clarity and persuasion. This, one feels,

that Edwardian quartet. But the difficulty with Chesterbelloc, as Shaw dubbed

his two Catholic opponents, is one, really enough? Chesterton own bedroom and miss not just that their conversion and Belloc were converts to a train for his honeymoon.

Larger than life to Rome was accompanied by a universal church. They were virulent anti-semitism that prucend and the seriousness begins.

CHESTERTON has been dead for just 50 years. And as a headnote to the new life tells us. C. S. Lewis once predicted that, as with other great writers, it as in print, and Chesterton would take half a century for seems to have spent half his life him to be valued at his true travelling to and from lecture. The truth is less dramatic.

People have never really stopped reading Chesterton, but it seems no easier than ever to think of him as a great writer, and the difficulties remain after reading this book. A poet him-self. Mr Ffinch has withdrawn himself behind his biographical materials to the point of becoming invisible; and though the materials include unpublished letters and notes, they remain so thinly documented and under-interpreted that they leave a literary reputation much where it was. What they do is tell a good story.

Chesterton was born in

London in 1874, in the same year as Winston Churchill; and by the first years of the century he was a prodigiously prolific journalist scribbling books and articles in Fleet Street pubs, and one of the great controversialising quartet that in-cluded Belloc Shaw and Wells. By 1914, barely 40, he was the author of what still look like notable books on Browning. Blake and Dickens, as well as a handful of remarkable surrealist novels and some detective stories about a Catholic priest called Father Brown.

GILBERT KEITH

by Michael Fünch.

Weidenfeld & Nicolson, £16.

CHESTERTON

369 pages

worth.

The age that led down to the First World War seems to have demanded personalities which, like King Edward VII. were literally larger than life, and in Churchill and Chesterton it got them. Its taste was for excess. Nobody now would behave as outrageously in controversy as

They read now like captives to their own cleverness.

The quartet became a popular turn on public platforms as well as in print, and Chesterton seems to have spent half his life meetings, usually arriving dish-evelled and late. The pamphlet war they maintained for decades. Right against Left, is not much read nowadays, and

George Watson reviews a new biography of G. K. Chesterton

lot of its humour looks as if it never outgrew the debating society at St Paul's School.

In a competitive journalistic age, admittedly, a prophet needs to shout at the top of his voice to be noticed at all. But he also needs to care about the truth, and Chesterton's cheerful mingling of Wildean paradox with dogmatic propaganda. like Shaw's, now looks hard to decipher. He is a comic master, and some of his lampooning of the Edwardian Tories can raise a guffaw. But though he would certainly have found the complaint priggish, it still has to be made: how much in his paradoxes does he want us to believe? "It is amusing and therefore

arresting," he remarks of a good quip. "It has a fine air of

tically anybody by now would time in a party of government tind embarrassing. It is that it is the Edwardian Liberals, and so hard to see where, in their with this cavalier attitude to most earnest debates, the jokes factuality it is unsurprising if Belloc's time in the Commons proved disappointing or - if Chesterton's own public campaigns came to little. Rhetoricians that they are, they never entirely convince that their rhetoric is anything more than that. And a prophet whose personal conviction is in doubt is oddly placed to convert others.

What emerges best from the new life is a large and ebullient personality which, though aboundingly confident before the world, was ill at ease with itself. Like his friend and adversary Shaw, he seems to have lived a celibate and unconsummated marriage, though one always based on a deep attachment. In fact, he delayed his formal conversion to Rome. till 1922, out of an affectionate concern for his wife's opinion. Mr Ffinch hints at private phobias and hidden sensitivities. masked by joviality and drink. but he is not much given to speculate or explore.

As the hind legs of the

Chesterbelloc beast, it seems more than ever clear. Chesterton will not survive, and his controversies look unrevivable. His distributism, well inten-tioned as it was, has by now been replaced by more sophisti-cated notions of industrial co-ownership. His Zionism, a paradoxical outcome of his dislike for Jews, now looks merely quaint. And his passion for religious orthodoxy will look odd to an age where even bishops have doubts about the resurrection and virgin birth.

But he will live as a good: writer who hardly seems even

to want to be a great one. a platform personality before theera of TV who cared more defiance: it contains a real about making an effect than romantic truth." Yes: but is a being believed, and a strange, mere particle of truth, and half-demented private being that no more than a romantic who could lose himself in his one, really enough? Chesterton own bedroom and miss the

St Hughstockings

Edited by Penny Griffin. Macmillan, £17.50, 339 pages WHEN I was at St Hugh's in the late Fifties. an arcane ritual

was enacted at Sunday breakfast in Hall. Various young scholarship. women ate a hearty meal and then queued up for a second Miss Rachel Trickett, my own one, which they took back to their room. All official efforts to keep us in had failed to keep our young men out: Saturday night and Sunday morning in St Hugh's could have their This reminiscence does not appear in this devotedly worthy account of the birth and progress of St Hugh's College, which always had an undeserved.

Oxford for squareness, sportiness and gloom. I had a happy, if academically undistinguished —my fault, not the college's— the book is composed of amount of gush, and many extime there, but like many of collected reminiscences from the women who have conserved decades submitted in decades after the event, do we tributed to this book this was response to a questionnaire. the women who have conserved decades submitted in decades after the event, do we tributed to this book this was response to a questionnaire, all fall into schoolgirl modes due rather to being at Oxford Here again one feels that only of expression? There is also itself than at St Hugh's.

a fictional account could do perhaps a certain over-As an account of how a justice to characters such as reverential attitude. But there women's college came into Miss Rogers, the classics don, are good moments, and some being this is sound and, for with her extraordinary clothes, effort to set the college in the those of us who already in the her devotion to the garden and context of both Fifties took women's education her complete disregard of the outside world. as a matter of course, a salurules of the road, who un-

Larkin.

what we do. We are still far too bound up with the difficulties of balancing jobs, children, husbands; emotional or intellectual priorities are still difficult to reconcile, as many girls who went up to St Hugh's in previous decades have discovered. Whether admitting men to the college will help to balance the atmosphere is an argument still being conducted, even though the battle is now won.

In one sense, the most inrest of us?)

is what it is all about, and this is the way to say it. Most striking is her perception that in a world of shrinking employment prospects, the role of the educated woman is paramount: "Women are peculiarly well fitted to open the eyes of politicians and educationists to the new world of mixedemployment . . . generations of women with their mixed tasks value what they do in quite a different way and distinguish work from non-work quite differently."

The world of St Hugh's has changed dramatically from the teresting section of this book is days when Miss Proctor looked the chapter by Baroness War- over the top of her glasses at nock, who in my day was con- one of my friends who had, sidered pretty racy for being as they say, got herself into a don who was actually married trouble and said: "Do I underand with children. (She has stand that you conceded your-herself admitted elsewhere that self to this man?" Now the felt that they suffered from what we saw as her heroic jug-gling of roles—and if the suffered from the saw as her heroic jugwhat we saw as her heroic jug-gling of roles—and if she has problems, what chance for the frest of us? only real serious struggle continues. How do we use our

Mary Hope

Amis scores a hit

THE MORONIC INFERNO, AND OTHER VISITS TO AMERICA by Martin Amis, Jonathan Cape.

£9.95. 208 pages

EVERYTHING IS right about this book except the title. Martin Amis has borrowed the phrase from Saul Bellow at his Dean's December gloomiest and, out of context, it reads as if he were one of those tiresome Britishers who speak of the United States as if it were populated by sub human Martians. Which of course he is not, being one of that rare breed who seem always to be able to strike a judicious balance between swoony adulation and creepy criticism.

Apart from this, my only carp is that the book ought to have been published earlier. It is five years since Amis published his article entitled The Killings in Atlanta in The Observer and the topic has gone cold. Even the Claus von Bülow story of three years ago has lost some of

Not so the pieces on the writers. Age cannot wither them. We have Saul Bellow twice ("Mm, give me a Sidney Sheldon or a Harold Robbins." says the lady at the Cultural Centre. "I don't want to be taxed too much"), Gore Vidal twice ("A cute little thing" is how he describes our Martin), and Truman Capote, Philip Roth, Diana Trilling, Norman Mailer, Joseph Heller, Kurt Vonnegut, Gloria Steinem, William Burroughs, John Up-dike, Joan Didion, Paul Theroux and Cap Tales, just the once

and Gay Talese just the once. The Talese piece is an acerbic review of the author's voluminous exploration of social and sexual trends" of America and it makes one wish that Amis had made a selection of his really outstanding book reviews instead of including just the odd one or two for, as he himself points out in his introduction, book reviewing is harder to write than either fiction or journalism and constitutes "an art form (however minor)

As it is, the only other book review per se is of Paul Therour's Sunrise with Sea-monsters which is no worse but certainly no better-than any one of the dozens which have delighted our tired old eyes over the past few years.

The bulk of the book consists of in-depth articles on writers, come of them—as in the case of Joan Didion's The White Album -taking off from a particular publication but ranging in an authoritative manner over the whole of their work. It is noticeable that of 17 such pieces only three are on women (the other two are Gloria Steinem and Diana Trilling) and that on the whole they lack the cutting edge and mouth watering bitchiness of the ones on the

Among the best are the two devoted to Gore Vidal and here one must admire Amis's terrierlike courage for Vidal is not a man lightly to be crossed. Amis says not once but several times that Vidal is a better essayist than he is a

Martin Amis . . . always provocative

he gets wrong again is the title: Fair, Steven Spielberg, Hugh Unpatriotic Gore which, delightful pun though it may be on Edmund Wilson's Civil War collection, is an inaccurate assess-ment of Vidal's attitude to his country. Closer observation re-veals that his criticism masks a patriotism sons pareil—but for his America, not theirs.

The rest of the articles in this always provocative book are on non-literary topics. They are in addition to those on the Atlanta killings and von Bulow—devoted to Elvis Presley, Palm Beach, Brian de Palma, Ronald Reagan (very out of data this area) out of date this one), the New Evangelical Right, Vanity

Hefner and Aids. Of these, far the most memorable is the one on Aids—the most levelbeaded and, up to 1985 at least, the most accurate account by a non-specialist to be found anywhere.

This is Amis at his best: superbly intelligent yet at the same time as instinctive ag a sniffer-dog, completely unfazed by the opprobrium attached to the subject when he wrote the article. Give us more like this, Martin, for as you say of Gore, you are probably "too clever. really to be an effective novelist."

Geoffrey Moore

Lighter reading any other expert. His book hardly touches on price (al-though a page from a 15th century Book of Hours can still

A HISTORY OF ILLUMINATED **MANUSCRIPTS** by Christopher de Hamel Phaidon, £25, 256 pages

THE MOST prolific relics of the medieval period are not the parish churches or the great cathedrals which dot western Europe but the illuminated manuscripts of the millerium up to 1500 which survive by the hundred thousand. Until now there had been no informed popular survey of the manuscripts: Mr de Hamel has made

good the shortfall.

As head of western manu. The lively conversational text novelist—the last thing that the scripts at Sotheby's (and the acts as a counter-noint to the Master ever wishes to hear. In man who disposed of the most abundance of illustrations .fact, there seems to be a cer- expensive item of art ever to tat deal that is both duseful.

121. It is sense of identification appear at auction. The Gospels since Amis lauds above all of Henry the Lion, which sold Vidal's superlative skill as a for £8.14m in 1983) he handles hook reviewer. The only thing more manuscripts in a year than

enthusiasm is directed at placing illuminated manuscripts in their historical context. Books for Missionaries; Books for Empowers; Books for Students; Books for Everybody, etc., he is able to follow subjects; through a long historical period. The expertise, is worn lightly and what might seem a complex and mysterious

be bought for less than £(0). All de Hamel's drive and

250 of them, of which 30 are in colour. Illuminated manuscripts are now an openation to all. Antony Thorncroft

by Barbara Pym. Macmillan, £9.95. 182 pages. THE WOMEN OF GUINEA LANE, by Gabriel Fielding, Hutchinson, £9.95. 300 pages.

AN ACADEMIC QUESTION,

THE WELL, by Elizabeth Jolley. Viking, £9.95. 176 pages. by Simon Raven. Muller. enc Blond and White, £9.95. 274 she

THE MADHOUSE, by Alexander Zinoviev. Translated from the Russian by Michael Kirkwood. Gollancz, £12.95.

THE LATE Barabara Pym. having written a number of novels which she herself as well as many of her readers felt were, whatever their other virtues, "too cosy," and having failed to find a publisher throughout the 1960s and most



Tolley Publishing Co. Ltd., Tolley House, 17 Scarbrook Road,

good bookshops

Hyde-and so many others? Pym just did not have the imagination or the art to write the novel she might have written about her own sense of

tary reminder of early surprisingly met her death not won; the statistics at the struggles. Betty Kemp's contririding to a meeting of the end of the book show that far bution follows the early history archaeological society. too few of us seem to excel at Or there was Miss Gwyer, principal from 1924, whose acerbic wit and sharp intelli-

straightforwardly and, as might be expected, with impeccable

revered moral tutor, tells with a straight bat the story of the famous "row" involving the famous "row" involving the redoubtable Miss Jourdain and her erstwhile protege, Miss Adie: a horrendous fracas which split the college in the 'twenties and which calls for an involvement of the split the college in the 'twenties and which calls for an involvement of the state of the split the state of Compton-Burnett to do it full justice. This was an event so serious that even in my day was never referred to in reputation among the rest of college, indeed, I was totally

unaware of any past scandal. But the most interesting section of the historical part of

characterise a certain kind of Oxford woman, and certainly seemed to me to embody the tone of the college in my day. Indeed, when I found my daughter this week wearing an exiguous binding of what appeared to be black elasto-plast I fell back upon Miss Gwyer's remark when confronted with a tight skirt in the 'thirties: "If Miss X wishes to wear trousers, I do wish she

would wear a pair..."

Inevitably, in recollections amassed from a self-selected group, there is a certain effort to set the college in the context of both Oxford and the

Her superb demolition of the radical feminist line is totally freedom? outside world. convincing, her acknowledge.
Of course all the battles are ment of the continuing prob-

that pseudo-critics saw that mindless and insincere superlatives are not encouraging or stimulating to modest talents who might otherwise go on to better things. Will the bubble eventually burst?

That said, The Well is an acute study of a lonely spinster who gets a shock that galvanises her into a sort of life. Some of the writing is slovenly (compare the sharpness of Shena McKay, one of the few novelists who really writes), indulging itself in too many cliches and such feeble descriptions as "some-thing dreadful." Almost always it could be improved — the right phrase, one feels, could be found, and by the author her-self. When will editors again occome interested in excellence for its own sake?

Before the Cock Crow is the third in Simon Raven's new saga, The First-Born of Egypt. Why this writer, who could occasionally be so excellent as himself, should wish to continue as an all-too-predictable blend of Dornford Yates, Dennis Wheatley and Lawrence Durrell, I cannot tell. He could write a good novel only if he could answer this question. Then I think it really would be good.

Alexander Zinoviev, an intelligent philosopher who was expelled from the Soviet Union in 1977, is not really an imaginative writer, but has used the novel form to excellent effect as in The Yourning Heights. In The Madhouse he shows us how a junior researcher is unable to conform (although he wishes to) because he is too individual and so is "removed." This is fine documentary, and points without hysteria to a terrible flaw in the communist system. Insofar as the reader does not wish for a real story. but rather to have his thirst for a valid denunciation of communism well satisfied, he will be pleased with this impeccable if now not unfamiliar record.

Martin Seymour-Smith

Simmons' book, originally pub- the im lished in 1969. It is a serious pictures. We who live on today's system cannot always follow

immense number

"The Modernisation Plan seems in retrospect to represent the most conspicuous achievement of the British Transport Commission in its direction of the railways," he writes; yet he includes a map showing, in black, the lines run in 1985, and, in white, the infinitely larger number run in 1914. He is a little brief in his eight lines on current Diesel locomotives. But there is a great deal that is both enjoyable and useful.

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TRENDS TO 1990 Edited by Amin Rajan and Richard Pearson A unique report from The Institute of Manpower Studies This radical report draws on a survey of over half of Britain's

UK OCCUPATION AND EMPLOYMENT

employers. It shows not only what is expected to happen to employment, but also identifies the underlying causes. This, the most extensive, employer-based survey of the jobs This, the most exempted, has big implications for education and training programmes, social provision, and employment policy and

legislation.' THE TIMES June 1986 - 224 pp - Hardcover - Rustrated - 0 408 02980 3 - £20 Available from your bookseller, or direct from: Butterworths, Borough Green, Sevenceks, Kent TN15 8PH

Fiction Born of rejection

of the 1970s, received encouragement in 1977 when she was very properly named as a neglected novelist by both Lord David Cecil and Philip

At her best, Pym was a keenly observant specialist in High Church and village comedy reminiscent of the early and still-neglected Angela Thirkell. But while the revival in her fortunes was salutary, it led her to try out overambitious themes and made her over-self-conscious: like most revaluations, this one was an over-estimation. To put it bluntly, Pym knew nothing about sexuality and, unlike Jane Austen, could not express that state of affairs in an

In 1972, when at the height of her depression over being rejected by every publisher, Barabara Pym began this book, her "academic novel" as she called it. After a time she abandoned it. Her friend Hazel Holt has amalgamated the two drafts to restore the "Pym voice" as well as anyone could and here it is.

The result is a series of exquisitely small observations strung together on a clumsy of a psychologically unconvincing story. It was abandoned by Pym for what became Quartet in Autumn, a superior book; but this one was well worth publishing, and everyone who likes Pym ought to have it. "The most underrated writer of the century." though? I doubt it, What about James Hanley, Ford, Robin

she strained after an under- done here by the imagination standing she did not have and Blaydon's self-questionings instead of writing about its are lubricated and mechanical. bitter consequences. In The Women of Guinea Lane. Gabriel Fielding, for long one of our most capable Catholic novelists, has gone

back to his young doctor John

Blaydon—surrogate for himself.

Hospital under the watchful

eye of a woman doctor who is

Historical

tracks

THE RAILWAYS OF BRITAIN

historical and social study of

railway history in Britain, but

by Jack Simmons. Macmillan £15.95. 256 pages

disappointment: her plots are have been composed as autoalways obtrusively clumsy, and biography: there is nothing Good reading, then, but hardly

Alexander Zinoviev . . . a fine documentary

Elizabeth Jolley's new novel, The Well, comes to us accompanied by such an absurd amount of hype (she can change our inner lives, she resembles Blaydon is now at work as a junior doctor at Guinea Lane Patrick White - she doesn't at all except in as much as she is Australian - and more and worse gushings from Angela researching dying. This is Carter and Susan Hill) that it capably written and inform is hard to see the wood for the ative, but might just as well meaningless trees. It is time

nor excessively popular in tone. Every aspect of railway business is dealt with - planning the routes, laying the track, building the rolling-stock and the stations, training the crews. It has been updated by the author, but not enough to put off those who retain an image of the railways in their pride. An occasional diesel or electric THIS IS a new edition of Jack train, even an HST, crops up in

WEIGHT II

The lost empire fights back

AS THE Birmingham Rep citsed the other day for a brief summer break after a 44week season, artistic director Clive Perry leapt cheerfully to to delence of Trevor Nuon and Sir Peter Hall, both titans recently bothered by a witch hunt over their private incomes in the subsidised sector.

We need men of their calibre and ability and without them the British theatre would t, be in an even more parlous state. Unless there are some financial rewards, properly monitored and negotiated, our subsidised theatre won't attract the best brains and talent."

Most directors, in fact, have provision in their contracts for outside work. That is how they meet other actors, experience other media and conditions. broaden their horizons, In Mr Perry's case, he can take two jobs a year away from running the country's largest repertory system outside London. These are not, as it happens, hig musical jaunts. This year he is reviving his Harry Lander show at the Edinburgh Festival Astarring Jimmy Logan) and directing in Perth.

Mr Perry is a backbone of the British theatre. The Bir-mingham Rep is no joyride—a difficult fan-shaped auditorium housed in a gloomy concrete edifice in Broad Street, a benighted civic excrescence with few neighbouring signs of life. Most prominent, more a sign of death, is the "Hall of Memories." Yet for 10 years Mr Perry has battled away, fixing deals with commercial managements to keep the show on the road, encouraging new playrights both on his large stage and in the studio, instia raucously publicised subscription scheme and generally bearing the drum as a stalwart of the Arts Council Drama Panel.

It is the sort of brave heartlands operation too often forgotten in the brash, envious writerings of most theatre "news" stories. As Mr Perry says, he could be sitting in his Birmingham office all day, seven days a week, and you could still find someone to say he was falling down on the job,

At a reception to announce the autumn and spring seasons. Mr Perry paid tribute to the Birmingham City Council which matches the Arts Council grant to the theatre on a pound for pound basis. Each source currently supplies £475,000. But that income still has to be supplemented by associated productions and commercial



Clive Perry

exploitation. This is the theatre where the window cleaning bill is the price of a new show,

The new Rep opened in 1971 when capital costs were readily available even if the revenue consequences were hardly considered. Also, the repertory idealism of Sir Barry Jackson's day was not quite extinct. The world is a har-her place today, and only the National and the RSC can afford to sustain companies doing classic plays together over an extended So the brave new world of

supported by the Arts Council on a 35 week contract. In the the Rep a clear £20,000, and local communities has studio theatre, this company acquired a tatty, defeated image will perform Ben Jonson. Rep for two more years. of a Lost Empire. The Royal Exchange in Manchester, the Bristo! Old Vic. the Sheffield Crucible and the Leicester Haymarket alone fulfil the hopes once placed in the regions.

The rest struggle on with unambitious programmes because playing safe is thought to ensure survival at the Box Office, and the Arts Council has been critical in the past few years of theatres that are consistently less than half full. flagrantly exciting it does at least mix new writing with In the Midlands, the Notting-

ham Playhouse is in the artistic doldrums; economic recovery is classic drama (the forthcoming Sir Kenneth Cork inquiry into first priority, necessary after Sir Kenneth Cork inquiry into few disastrous years. At the theatre will be commenting a new phase after David Aukin's departure to the National (after a mere 18 months). No one theatre has on the serious dearth of Shake-speare, let alone Ibsen and Strindberg, in the regions). audiences will be able to see the Royal Court's Bacchae Project, Warren Mitchell and Fenella rested the initiative in the way Richard Eyre did at Notting-ham in the mid 1970s. Fielding in The Miser, Peter Pan (for Christmas), D. H. Lawrence's The Daughter-in-Law, Julius Caesar (with the Young Company), Peter Wood-

Mr Perry may be about to profit from the dull looking competition at Nottingham and Leicester. He has introduced a new scheme to liven up his image: a permanent company of 11 young actors straight from drama school (521 applicants have been reduced to 66 before great regional theatres proudly the final choice is made) each

Birmingham is both very affluent and very hard up. If Pryde (now running the Camindustry, says Mr Perry, they stay away in droves. "People want escapist entertainment and I regret the top ticket price is as much as £6.90." Concessions for the unemployed are irrele-vant: "The unemployed don't take part in anything, and your artistic liberal Royal Court sort of audience is in short supply in these parts." This explains the dilemma for big regional theatres. You can only go so far to please the

ward's new Jack Buchanan revue and the Michael Frayn

Three Sisters.

will perform Ben Jonson, Edward Bond and a specially

commissioned new play by Chris Hawes: in the main

house, in September, they will take on Fay Weldon's new adaptation of Jane Eyre.

In its first year, this scheme

was only moderately successful

at the box office, but Mr Perry is surely right to persevere with it, and he strongly denies that

he is hiring an ensemble on the cheap. Although his programme for the autumn may not be

From September, Birmingham

critics, who reasonably demand freshness and excitement when they leave London. At the end of the day, Jane Eure is Jane Eyre and of no special theatrical significance whoever does the adaptation. The same was true of last year's Pride and Prejudice, adapted by David Pownall, which the Rep coproduced with the Leicester Haymarket. It was a thoroughly decent job of work but I doubt if it changed anybody's life, let alone the course of theatrical history. Critics expect such consequences every night of the year. Theatres hope first to fill their seats and second to be proud of their work. Pride and country that has betrayed its middlebrow production that took £240,000 at the Old Vic payer. box office during a six week London transfer and earned for

Mr Perry plans to stay at the Rep for two more years, to see in the 75th anniversary of

Barry Jackson's pioneering operation in Station St. The new Rep has 900 seats, a stage 5 ft wider than Covent Garden and a reputation more worthy than incendiary. Running the place is an uphili struggle occasionally relieved by the visits of a management like Theatre Projects or Triumph Apollo, for whom the Rep will provide sets and costumes in exchange for a star name — O'Toole in Man and Superman, Ustinov in Beethoven's Tenth, Scofield in I'm Not Rappaport — and the concomitant box office windfall and London royalty.

These mixed-economy exercises compensate for the inevitable failure of new writing on the big stage; more recently Stewart Parker's Heavenly Bodies died the death in spite of respectful reviews; Peter Woodward's Outside Broadcast. just closed, played to under 40 per cent capacity.

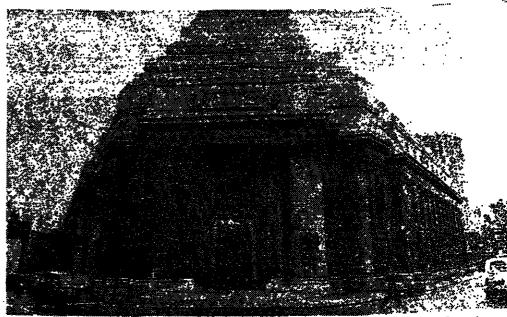
Mr Perry has run theatres in Edinburgh, Leicester, Derby and Farnham and can count among his directing protégés Richard Eyre and Bill Bryden (both in Edinburgh), notable success) and, still associated at Birmingham, Peter Farago.

Without people like him, and their messianic enthusiasm for live theatre, our cultural land-scape would be as bleak as the grey skyline in Broad Street. Just as the architect of the sub sidised theatre revolution, Peter Hall, is pilloried in the press for making a few bob on the side, so regional directors like Mr Perry are still made to feel like apologetic paupers with something to prove.

The latest bout of ritual blood-letting only reveals that, deep down, we still distrust subsidy in the arts even though without it our entertainment industry would not be the envy of the world. And it seems still that we have far to go before the principle of subsidy accepted per se, as it is in France and Germany.

This is why theatres like the Birmingham Rep must survive and prosper—a country reduced to two privileged subsidised monoliths in London for its theatrical reputation will be a country that has betrayed its

Theatre



Visitors welcome — Freemason's Hall in London's Great Queen Strect

Apronstrings untied

THE WELCOMING aprons are on and the veil of the temple has been lifted at London's Freemasons' Hall. The United Grand Lodge of England has mounted a permanent exhibition of Masonic paraphernalia which aims to instruct the uninitiated in the history of the 'craft' of Freemasonry. A pamphlet of 1698 warned All Godly People in the City of London against these 'devilish Masters in Secret'; but these days at Freemasons' Hall, secrecy has gone out of the

The small exhibition traces the development of Freemasonry over the last 300 years, using documents, paintings, photographs, and ritual insignia. suspect that for many people it will increase rather than

satisfy their coriosity, since there is no attempt to review the lunctic theories ghout Freemesopries origins nor the rannid fantesies about its ohimtives.

With that recervation in nind. Visitors can penatheloss inform themselves should the Old Charnes, the rivalry with the Antients and how in 1919, the rife was herted by the Dake of Kent and his hrother, the of Success and when the nest being cours Marter foredation chance of ant sorns ile hist graw sering Finning To seems that Macaning pare ume a jalle high, mentic office There were part mask and shapt-musta pro-Michael Coveney | PRINT WAITING for Ladies' Forti.

vals. Processions of Masons in Lodge, found to he structural their embroidered aprons were a common feature of urban life even into this century.

Charitable functions have sliways been a vital strand of Freemasonry for Relief with Freemasonry, for Relief, with Brotherly Love and Truth, are the three guiding principles. A print vividly recalls the way in which our ancestors used to revel in their philanthropy. It shows the girls at the Masonic

Girls School being paraded past

their benefactors, bewigged and full-bellied after dinner. Masonic symbolism was not only restricted to ritual objects used in the ladges, and in the 18th century pottery and glass manufacturers decorated their wares with the columns, compasses and ears of corn. After this exhibition I understand a rian, with camels and slaves crewel-work embroidery which constructing Solomon's temple: recently puzzled me in an antique shop: it showed the mystical symbolism. Temple of Solomon, emblem of harmony and perfection, and central to the Masonic ritual.

More alluring than the exhibition is Freemasons' Hall, which nobody interested in inter-war architecture should miss. Tours of the building, which majestically covers a four-acre site in Great Queen Street, are conducted on the hour between 11 am and 4 pm. Freemasons' Hall was built as a memorial to the 6,000 Masons who fell in the Great War.
A competition for the archi-

tects was won by rank outsiders (but Brother Masons all the same) H. V. Ashley and Winton Newman. Their task was to replace the 18th-century Grand

building at once opulent yet discreet. Lashings of pale marble reflect blue and gold mosaics, surprisingly successful stained glass, and highly elaborate stucco ceilings. The effect is never subtle but it is solemn and impressive. The Grand Temple is approached through three vestibules of increasing splendour, before Brother Walter Gilbert's massive bronze doors. Each ca-1 in one piece and weighing 14 tons, they are awesome in

From the large dome of the Temple, Solomon and Hiram. the two great Architects. look down on seating for 17,000... Golden silk hangings, bronze marble porticoes, create an effect vaguely Egyptian and splendidly Hollywood, I was led on through shimmering corridors, to the Indian Temple. one of the lodges which is a fantastic blend of Indian ecnoes. Even the coat-racks where Masons don their ceremonial costumes are massive. Do not miss your glimpse of the Temple, one of London's most under-rated buildings.

the other is a torrent of

Patricia Morison

Records

Timothy Spall and Allison Harding in Birmingham

Rep's production of "Heavenly Bodies"

HOTOWITZ revisited

Horowitz: the Studio Recordings. New York 1985. DG

Recthoven: Piano concertos 1 and 2. Philharmonia Orchestra, Sinopoli, DG 415-682

Rakhmaninov: solo cello works, Lynn Harrell, Vladimir Ashkenazy. Decca 414-340.

I wrote in some detail about Horowitz's performance of Schumann's Kreisleriana at his luted, too self-regarding, to be Festival Hall recital last month; and it has been fascinating to be able to listen still more closely, and repeatedy, to the new studio recordings he had ance does?), it has a magic that made of the same work six grows with every hearing, months previously in New York Horowitz's pedalling in particuon a disc which includes substantially the same programme as his recital.

I remarked then that I had enever felt that Horowitz was entirely at his ease in the larger-scale Schumann worksor perhaps, more precisely, that I had never felt Schumann to recital, and which has become be entirely at ease in Horowitz's Kreisleriana. And yet on closer acquaintance there is a con-Polonaise was for Rubenstein, sistency, and a concentrated there is also the Schubert B flat sistency, and a concentrated energy, to Horowitz's view of Impromptu—a marvel of lyrical the piece which is powerfully delicacy and fine dynamic shadarresting.

over all else—as eccentric maybe but no less adventurous, stand no less thrilling where it hits the mark exactly, as Cherkassky's famous "experi-ment" with the 24 Chopin Preludes, in which he treated the whole sequence as a breathtaking study in tiny gradations of triple-pianissimo dynamic. Real music-making is about change, and discovery, and adventure: and this is the new Schumannesque panorama, after a lifetime of having played Kreisleriana (as he now feels) "too fast." which Horowitz has discovered.

of Kreisleriana is plain wrong": the composer's instruction is agitatissimo, and Horowitz's delivery is the very reverse — calmly questioning, a delicate probe into the web a delicate probe into the web of inner voices and textures that lie beneath (sometimes almost invisibly beneath) the music's surface. And this exciting. The lyrical flow of music's surface. And this exciting. The lyrical flow of opening emphasis is sustained her slow-movement Largo — a until the last. It is not that there is anything in the least there is anything in the least is exquisitiely effective, and febrile or limp-wristed in the affecting. The rhythmic bounce playing: climaxes are exactly with which she sets alight her and firmly placed, and on the solo introduction to the finale

masterly distillation, prepared sunny, under a virtuoso magnifying The lass, of a single aspect of the many-sided Schumann: that intimate and enigmatic side, wistful, tender — the Schumann of the jarouche shy smile, the sudden, unpredictable alterna-tion of tears and laughter.

I still feel that the brighteyed, windy music — the heady, sensuous Florestan, the grand reverse side of the Schumann coin - is arguably too convoexactly right; but even if the performance doesn't seem in every respect to be perfectly rounded (and which perform lar is a magnificent tour de force - of that composer who most rejoiced in, and virtually discovered, the Romantic sustaining pedal.

On the disc. in addition to the Skryabin D sharp minor Etude which we heard at the almost as much of a Horowitz trademark as the Chopin A flat latti sonatas, the early B minor It is a strange view, in which the lyrical quality of the music, and its inner colours and conversations, take precedence versations, take precedence the colours and conversations. The colours are constant to the colours and conversations. The colours are conversations to the colours and colours are colours and colours and colours are colours. creation. Perhaps it's as well that at least some of the best of the live recital does not appear on the record; those two Chopin Mazurkas, the Schubert-Liszt Soirée de Vienne, and the three encores including Rakhmaninov's Polka, must remain only a cherished memory.

One of my favourite pianists playing Beethoven's first and second piano concertoes with one of my favourite orchestras. under one of my least favourite conductors: the combination promised at least to be an interesting one. In the event, it is Martha Argerich the On the face of it, the opening pianist who carries the day and sparkle, which she com-municates to orchestra and conductor alike.

In the C major concerto wonderful melting cantabile rare occasions he calls for them establishes the tone for the

There is the same lyrical buoyancy and easy elegance to the first movement of her B flat concerto no. 2, and her slow movement here is spun out with unusually fine Romantic thread — really more

Chopinesque Romance than Beethoven Romanze, but none the worse for that, conceived with the greatest tact and delicacy. The orchestral sound is warm, close, lushly recorded: attractive — though it's a pity perhaps that no greater attempt was made to achieve an earlier and more Classical balance of timbres.

Lynn Harrell's and Vladimir Ashkenazy's recital brings together on a single disc all the music which Rakhman! nov wrote for solo cello. His only large-scale cello work is the G minor sonata op.19, com-posed in 1901—a time of enewed confidence, after the hostile critical reception given to his first symphony four years earlier, which saw the birth in rapid succession not only of the cello sonata but also the second piano concerto, the love-duct from Francesca da Rimini, the second suite for two pianos, the Chopin Variations, and the Preludes op 23 for piano.

The cello sonata is a substantial work in four movements, more than half an hour long, full of splendid tunes, and scored with great sensitivity for an instrument for which (on the evidence of his orchestra) Rakhmaninov had scores) special affection; the work is dedicated to his close friend. the cellist Anatoly Brandukov, Harrell digs into the climaxes with relish; the andante's glorious melody in particular, tentatively introduced by the piano, is borne up on wings (and carried down again to the resonant depths) with splendid

Rakhmaninov also composed a number of shorter cello pieces — among them the Tuo Pieces op.2, written in the 1890s for Bradukov while both were still students; a Romance (the carliest piece of the collection) which was the fruit of a love-affair at the age of 17 with a cello-playing cousin: and a Mélodie for the cellist Modest Altschuler. Lynn Harrell also in-cludes as a bonne bouche his own arrangement of Rashmaninov's Vocalise (much loved by cellists and often arranged. notably by Brandukov in the 1920s, and more recently by Leonard Rose). Ashkenazy is Hartell's exemplary partner, never retiring, never obtrusive.



Aled Jones and Ian Gelder in " Now We Are Sixty" at the Arts Theatre, Cambridge

Radio

the project.

dozen funny stories, it seems a

Radio 4's Sunday "classic serial," billed as a New Series each time it comes up at three-

or four-weekly intervals, is Kipling's The Light that Failed.

adapted in three parts by Frederick Bradmum. To my

ears, those rather unattractive

characters Dick Heldar. Torpen-

how and Maisie have come out too charming. Steve Hodson, Stuart Organ and Natasha Pyne,

who play them, sound too nice. Hodson is even nice in the nasty

scene where he bullies the elderly syndicate director. Graham Gault is the (not

More dramatic ambiguity in

Carol Ann Duffy's Loss (Radio 3, Tuesday). For 30 minutes a heartbroken widow, played ably by Barbara Leigh Hunt, rages over her gin about the

loss of her husband until she

imagines she can hear his voice,

his footsteps, and the accident

in which he died. But what a horrible woman! Selfish and

ill-tempered, she wants only the

gratification her husband's presence brought her.

climatic accident happened to

her, not retrospectively to him,

If (as I half thought) the

elderly) play director.

THE ROLE of scientists in even when spiced with half a India is unlikely to be high on the list of everyone's deepest interests but Colin Tudge, in Genics from Ancient Fields, assembled a fascinating pro-gramme (Radio 3, Sunday). Feeding 750 million people calls for more than five loaves and two rishes, so science and technology in India are directed to supporting a scattered and under-advantaged population for whom not only food but water, electricity, goods of all kinds, means of communication and social participation must be provided.

The programme, the first of two, called on a number of Indian scientists who told a lot that must have come **a**s a surprise to many, not least, the fact that India produces more science graduates than any nation but the US and the Soviet Union.

That is one kind of docu-mentary, A Gentleman's Place (Radio 4, also Sunday) was another. It purported to be about Llondon West End clubs. Glyn Worsnip apologised for having been unable to visit White's, Boodle's or Brooks's, but said nothing about not visiting the Garrick, the Savile, the Travellers, the Athenseum, the Reform, the Rag, or the Army and Navy.

the half-dozen clubs he I can only say she deserved it. dealt with, two are not in the Kay Patrick directed. n | West End and one is for ladies.

Are Sixty Gyles Gyles

Now

Brandreth Brandreth Said to himself, said he: "Let's do a musical chase-away-blues ikkle summery show so

Gyles Gyles Brandreth Brandreth Asked himself what to do. And then exclaimed: "My dear! "I've just had an idea! "Let's do the creator of Pooh!" For Alan Alexander Milne wrote more than just Pooh,

And dramatised jokes from Edwardian Punch will fill their hearts with glee.

James James Roose-EvansRoose-Evans Directed the sven parts; And took actors down to pity to have gone ahead with

Cambridge Town for Now We are Sixty (the Arts). But pre-Great War Punch was no funnier then than today in Cambridge Town. And the Arts Theatre Cried "What's the matter?" And wore a great big frown.

An hour and three-quarters into the show Young Aled Jones sounded sweet In his evening prayer, with his floppy hair, And the audience stopped shuffling its feet.

With Rosalind Airs Has talent enough, it's plain. Sarah Crowden has more And tries not to bore As she sparkles with might and main. lan Geller's AA Tries to salvage the day In critical Cambridge Town; But one asks why is he

The cast (poor dears!)

With his diction so prissy Imitating Alec McCowen? Gyles Gyles should have known better James James, so should he. Yоц won't go down

Cambridge Town If you take a tip from me.

FINANCIAL TIMES

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PUBLICATION DATE: OCTOBER 6

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2 The mechanisms

3 The role of the private sector

4 The major conurbations

5 The political background

6 Policy alternatives

7 Architecture

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WEEKEND FT

• SPORT •

Racing

That Shergar feeling

by Michael Thompson-Noel

race at Ascot—the King George IRA in Ireland in February VI and Queen Elizabeth II 1983. Diamond Stakes—will pitch one Even before his death, great racehorse. Shahrastani, Shergar was a legend, being worth £16.842 per pound, into ranked by those who know as epic combat with a rival, worth among the finest thoroughbred £13,023 per pound, in what racers ever. promises to be one of the most To date. engrossing mile-and-a-half con- defeated as a three-year-old, frontations seen on any British having won the Guardian racecourse for more than a Classic Trial at a mile-and-a-

which is seldom profitable, and Shahrastani,

ASHTRAYS £6, sweatshirts £12, teeshirts—"Know what I mean, Harry?"—£8. "It's the first time we've done full scale merchandising here at Wembley Stadium." said David Fellerman managing director of

man, managing director of Arena International Licensing

a rite of passage in an interna- ratchet of

souvenir programme, £3.

DANCING BRAVE is the turf's greatest empires, whose bigger of the two, at 1.075 lbs, hope is that Shahrastani will versus Shahrastani's 930 lbs, confirm himself as virtually the But at £16m versus £14m, equal of Shergar, also owned the confirmal turbulant of the confirmal turbulant to the confirmal turbulant turbul Shahrastani is more valuable, by the Aga, Shergar having For lovers of the pocket calcubeen kidnopaled (and prelator, therefore, to-day's big sumably slaughtered) by the

To date. Shahrastani is unecade. quarter, the Dante Stakes
In truth, neither the calcu- (1im), and the Epsom and lator nor the cash register-nor Irish Derhys (both at 11m). even the stopwatch-can begin His greatest rival, Dancing Ascot today. To do that, one Guineas, at a mile, and the has to struggle with the Eclipse Stakes (14m), his only vocabularly of legends and defeat, by half a length at dreams and vaulting ambition, Epsom, being inflicted by which is called my profitchly and Shahractan.

usually a mug's game.

Instead, it is easier to view to-day's great race through the merchant. Dancing Brave, was to-day's great race through the merchant. Dancing Brave, was appointed when the Aga decided teered by jockey Walter eyes of Prince Karim Aga unlucky not to have caught the to re-establish his family's Swinburn, who said that when Khan, owner of one of the middle - distance specialist, fortunes in English racing in Shahrastani won in Ireland,



Shahrastani pips Dancing Brave at Epsom

The tipsters—those hapless souls who trudge and toll in the vale of prophecy—are massing charges, an important consideration for an owner with such clock was ace." says one, in racespeak. A second: "Shali-rastani's win at the Curragh was stoute was that Stoute doesn't course, won both English and over-estimate the ability of his lish Derbys and the King George. If Shahrastani can emulate him he will certainly be worthy of comparison."

The King George, which is Yet three weeks later, after the summer equivalent of the Shahrastani's shatteringly for short finishing straight. the reasons the Aga appointed
The tipsters—those hapless Stoute was that Stoute doesn't sharms with at the Curriage was a performance to compare with win in the Irish Derby, Stoute Shergar. Sea Bird. or even his was nudged to the view that own sire. Nijinsky," while a third speaks of the Derby winner's "awesome authority."

His trainer Michael Stoute—

Further evidence was volun-

Boxing

Shahrastani, at Epsom, and 1978-was cagey after Epsom, "he gave me the old Shergar whether 'he can reverse the saying that Shahrastani was a feeling all over again." As for Epsom placings in what fine colt and had won on merit, the Aga, he rates himself a promises to be a memorably but was "no Shergar." This very lucky man to have had exacting finale over Ascot's was understandable. One of two such horses in such a brief short finishing straight.

The gave me the did Shergar has feeling all over again." As for Epsom placings in what fine colt and had won on merit, the Aga, he rates himself a promises to be a memorably but was "no Shergar." This very lucky man to have had exacting finale over Ascot's was understandable. One of two such horses in such a brief short finishing straight.

a vital stage in the sealing of reputations at the highest level. Win or lose, Shabrastani is eventually destined for a life of lusty fulfilment at The Three Chimneys Stud, Kentucky. The Walter only blot on today's horizon is

Dancing Brave.

a hurtling projectile named rounds of boxing—and booinglater, an expressionless man wearing a bright blue jerkin with "E Gersh All Stars"

Half a round later there was a huge gasp and a distant cry of "He's gone!" as if sorreone

own faces expressionless, streaming away towards the exits like refugees fleeing a city. A little later, a few chairs were flung around, and a few arrests made, but it was nothing of significance.

what could have made this slim, balding introvert a sub-ject for newspaper headlines. ject for newspaper headlines. Unlike Botham, cruwds seldom flocked to see Boycott play. Noone has ever alleged that Boycott has taken drugs, romped with beauty queens, or even been merely drunk and disorderly. On the other hand, Boycott emerged triumphant from a battle with his county's establishment when many before him had been bloodily defeated.

defeated.
In statistical terms, Boycott
must rank as one of the greatest
batsmen ever. In all, he scored
151 centuries, the fifth highest
total. He had the highest Test
aggregate (8,114) of any England batsman and the second highest of any Test player. Twice, he averaged over 100 in a full cricket season. In all, he had an average of 56.85.

defeated.

THIS WEEK'S announcement

of an injury to Geoffrey Boycott

may have marked the end of one of the most controversial careers in a sport renowned

for awkward characters. At first sight, it is bard to imagine

Those runs were accumulated with the help of a defence so technically correct that it broke the heart of many a county bowler. If Botham seems to view each ball as a chance to scatter the spectators with some massive hit, Boycott regarded each delivery as a potential bomb. Only after the new ball had seen the shine taken off would Boycott begin to open up with a nudge here and a push there. Gradually, the shots would unfurl. The square drive was a particular favourite, as was the on-drive—the stroke which brought him his hun-dredth hundred in the 1977 Headingley Test against Aus-

The solidity of that defence made Boycott one of the best bad-wicket players in the game -a traditional yardstick of a batsman's greatness. But it also made Boycott a slow scorer, and sometimes painfully so. In 1967 he made 246 not out against India and was promptly dropped for slow scoring.
That sacking did nothing to

lessen Boycott's suspicion of the game's establishment. As the son of a miner. Boycott knew hardship as a child, and his youthful ability at cricket was a passport to a better life. He practised hard and long to selze his chance. But the singlemindedness he needed to hone his game made him an unpopular loner in the teams he

Cricket

The great loner



Boycott . . . never one of the lads

out of seven Test matches as successful England captain, but not until he joined Leicestershire. And there was recommended from the that, defined on clashes with both the York-counties rely, they have been countied a bowling attack shire. And there was Freddie ments.

Boycott was never one of the lads, never able to laugh at his troubles over a pint. When he began to develop an unfortunstead, it caused muttered resentment in the dressing-room.
"This man," it came to be said, "plays for himself and not for the team."

Geoffrey.

After all the arguments and all the controversy, cricket lovers may remember the

se fleeing a city.

The workshire team Boycott

as nothing of the workshire team Boycott

as nothing of the carly 1960s had more than their fair share of colourful characters.

Gay Firth

The Yorkshire team Boycott was their televisions or radios to eagerly seized on by his detraction. The bat-throwing when he collabse. If Boycott was still was run out in Australia; the more than their fair share of colourful characters. Brian the west indies off the last ball of the day. The

more the critics moaned, the further Boyoutt withdrew into his shell. Eventually, in 1974, after a run of bad form, he opted out of the England Test team for three years.

His return was the stuff of Baris Comp.

team for three years.

His return was the stuff of Boy's Own Paper. At Trent Bridge, he ran out the local hero. Derck Randall, and redeemed himself only by scoring a century. In the Headingley Test, on his home ground, he not only scored his hundredth hundred in a Test (the first time this had ever been done) but scored it against Australia, England's oldest rivals.

One prize seemed to eludionim—the England captaincy. Twice in the early 70s, he lost the post to unlikely candidates, the Scotsman Denness and the South African Greig. At last, in 1977-8, he had his chance when Brearley broke his arm but the experience was unhappy as he led the team to England's first ever defeat against New Yorken. first ever defeat against New

Zealand. In late 1978, his world was In late 1978, his world was shattered. In the space of four weeks he was dropped from the vice-captaincy of Englands saw his mother die, and was sacked as captain of Yorkshire. Many a previous Yorkshire hero had left the club in similar circumstances. But Boycott had the last laugh. A group of Yorkshire members, known as the Reform group, began to campaign against the commitcampaign against the committee and five years later, duly captured control of the county, with Boycott himself returned

as member for Wakefield. Boycott has been blamed for many things, notably for the decline in Yorkshire cricket. The England captain, would later charge is ridiculous. Yorkshire be dismissed by Yorkshire and have done no better since he end his career with Somerset. was sacked as captain, nor did. Ray Illingworth was another they shine on days when h was absent injured or playing for England. A much more plausible reason for Yorkshire's unable to build a bowling attack

capable of consistently troub-ling other sides.

Nor is it fair to blame Boy-cott for all dressing room disate reputation for running his sension. As far back as 1958, partners out, it never became Johnny Wardle was summarily an affectionate eccentricity as it sacked by Yorkshire and neither did with Denis Compton. In- Close nor Illingworth's depar-stead, it caused muttered re- tures can be blamed on "Sir"

As the years went by, every times when they switched or incident involving Boycott was their televisions or radios to eagerly seized on by his detrac- hear news of England's latest

Brooo-No...he's gone

Services, which also provided a well-designed, comprehensive of theological and financial interest. The World Boxing Association heavyweight holder, Tim Withersnoon will most the World Boxing Association heavyweight holder, Tim Withersnoon will most the World Boxing Association heavyweight holder, Tim Stands whose orchestrated length of red with a scarlet robe reminiscent of 20th Century Fox with hood pulled well forward, movie openings swooped across each encapsulated, along the stands whose orchestrated length of red with hood pulled well forward, movie openings swooped across each encapsulated. Inside, in the calm blue evening, serious men in sports slacks chatted to policemen. Hammering came from the ring
—a birthday cake space squared off by red, white and blue ropes, its red and white awning rimmed with arc lights—as telelenge the winner of the International Boxing Federation championship, Mike Spinks of the US. The intention is that, in time, an IBF title holder will mastodon across primeval swamp.

The jingoistic jeers seemed good-natured enough at first. The arrival of Muhammad Ali vision camera teams consolidated their positions in readiness for the heavyweight clash in which Tim Witherspoon of the US, boffed Britain's Frank
Bruno in no uncertain style.

win ecumenical acceptance as pope in the heavyweight ring.

excitement

up

good-natured enough at first. The arrival of Muhammad Ali the US, boffed Britain's Frank Bruno in no uncertain style.

Last Saturday's Bruno-Witherspoon clash was, in effect, less spoon clash was, in effect, less championship than a heat—

Saturday, each turning the survey of survey and confidence by a succeeded one another on Saturday, each turning the enormous young men came into enough to lift the dark floor of survey. the arena, each dressed like a night over Wembley.

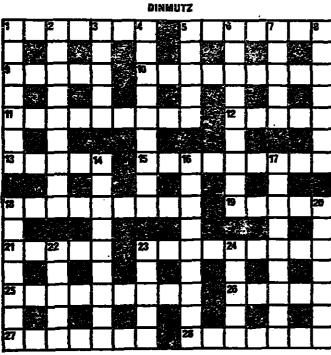
ciation heavyweight holder. Tim Witherspoon, will meet the World Boming Council title-holder, Trevor Berbick of Canada, for the right to challenge the winner of the International Boxing Federation. Witherspoon's arrival fanfare.

The UK national anthem, sung with fervour in several tempos like a kind of Queen-in-

painted in gold across the back, took off his sunglasses and announced to his immediate vicinity: "I'm 64 years old. I was here in London 40 years ago, going overseas, and I didn't like the way they booed the Americans and all that stuff. I'm 64 years old and I still don't I'm 64 years old and I still don't like it."

had gone under for the third time. Most of the crowd turned immediately for home, their

TELEVISION AND RADIO



FT CROSSWORD PUZZLE No. 6083

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E E D A U R G E
ANAN IMMONATION
E S U G U N
EMHANCE STEMEN
D O T O H M
STROKE COURAGE
E U N H S R U
ESPRESSION STOP

SOLUTION AND WINNERS

OF PUZZLE No. 6,077

TMOUGHTREADING
S.O.R.O.A.P.R.U
PRUDE RUTMATION
I.R.O.S.I.R.S.P.
DOGROSE SATIGHER
REAGH. ITTMERARY
S.E.M.C.W.D.
GASMANTOE TOAST
MESOLES, KERATUM
S.KIMGRAFT DEBUTT
I.Z.W.T.E.I.L.O.
SIGATTERGRAUMEO

9 Timekeeper I would follow when retiring (5)

10 Make up lies and stuff at teabreak (9) 11 The mountain snowdrop (9) 12 Teams from the borders (5) 13 Dip makes this paperback go quickly inside(5)

15 I receive terrible misnomer in baptism (3) 18 In a trance, Tom takes a pickme-up (9)
19 Sort of heard for a girl (5)
21 Halter? Permanently! (5)

23 Battle in a spirit bar (9) 25 Bird for picnickers? (9) 26 Disembarkation with ambitions? Only this captain remains (5)

27 Remainder to live round the bend (7) 28 Good-length deliveries, not necessary from county sides

DOWN 1 Pull in and reverse (7) 2 A striking bar counter? (9)

3 End of booked passage (5) 4 Goodwill for malady? (8) 5 Cumbrian town has no sidewalk here (5) 6 Fellow-underwriter to make money safer (9) 7 Antelope to make dash by

day (5) 8 Crime of corrupt senator (7) 14 Pater almost dead, perhaps, and dim-witted (3-6) 16 Plant card on eastern lines

17 Turn a clue into implant? (9)
18 Fir once chopped down is still one (7)

**Experiment of the complex of the 20 Candid predicament for gal. Shute. Kidderminster. Worse-

† Indicates programme in black and

SATURDAY

885 I 8.35 am The Flintstones, 9.00 Grand-stend, including Commonwealth Games, Cricket, Racing from Ascot. 7.00 pm News and Weather, 7.10 Regional pro-grammes. 7.15 Film: Billion Dollar Brain, sterring Michael Coine, 9.00 The Bob Monkhouse Show, 9.40 News and Sport, Weather, 9.55-11.55 Common-would Games, 11.55 Late Night in Concert. 12.25 am Weather. BBC 2

5.50-1.55 pm Open University. 1.55 First Test, England v New Zeaind, 6.10 Laramie, 7.00 Commonwealth Games. 8.20 Newsyldw. 9.00 Liszt Week, 10.05 Film. High Noon, starring Gary Copper and Grace Kelly, 11,25 Cricket: Highlights, 11.55-1.30 am Film: Konga. LONDON

3.25 am Get Frenni 11.30 Terrahawks. 12.00 flews 10.05 pm //resting. 1.00 Film Blondle Takes a Vacation. 2.30 That's My Boy. 3.00 Christipne Columnia bus, 445 Cartoon 500 News, 505 The Grumbleweeds, 535 Jan. Cristis Return to Trabsum Island 630 And Thore's More Cricket 7,00 We love TV. There's Mire Chicket 7,00 We Leve TW. 7,30 Summartime Species, 8,30 A: Star Secrets 900 Naws and Sport, 9:15 Film: The Way We Were, starner Robert Redired ann Barbra Straish-d 11,25 News, Ictiowed by May, 11,55 O Years On, 12,40 am Studio 1 or Concert 1,05 Race Round Botzm. 1,40 Night Thoughts.

CHANNEL 4

Brookside Omnibus. 8.00 Right to Reply. 6.30 Tour de France. 7.00 News and Weather., followed by Thistons of Abraham. 7.30 The Curative Treatment. 8.30 Newhert. 9.00 The Organisation. 10.00 Hill Street Blues. †10.55 Film: The Night Has Eyes. †12.25 am Film: The Night Has Eyes. †12.25 am Film:

S4C WALES 2.15 pm fFilm: Sergeent Madden.
3.45 Film: I Didn't Do It. 5.30 Cncret
in India. 6.30 Tour de France. 7.00 The
Kit Curren Radio. Show. 7.35
Newyddion 7.45 Pwy Sy'n Perthyn?
8.15 Siarabank Lisnymddyffi. 8.45
Golwy Yn Ol. 9.45 The Cosby Show.
9.45 The Orchestra. 10.15 Budgie. 13.15
Film: Sharks Film: Shanks.

ANGLIA

1.60 pm Film: True as a Turtle 9.15 Firm: Baratoot in the Park, atoming Fobert Redicted and Jane Fonds, 11.45 BORDER

13.55 pm Freeze Frame. CENTRAL

CENTRAL

1.00 pm Film: Doctor in Clover, starring Lesito Phillips and James Robertson Justice 5 05 John Silver's Return to Treasure Island, 6.00 The Grumbleweeds, 11.55 Film: The Red Light Sting, Starring Fairah Favcett, Beau Bridges and Harold Gould, 1,40 am Central Johnnost.

CHANNEL 4

1.05 pm ECO. 1.30 Birds of British - CHANNEL

12.00 Film: Hotel Berlin (1945), 13.55 - 2.30 pm Survival of the Fittest.

Film: The Mysterious Mr Moto. 5.05 - 12.50 am Early Beatles.



11.58 am Ulster News. 5.03 pm Ulster News. 9.12 Ulster News and Weather. 11.55 Sports Results. 12.00 Guess Who's Coming to Dinner? 12.25 am

VODECHIDE 1.00 pm Film: Herry Black and the Tiger, starring Stewart Granger. 5.05 John Silver's Return to Trassure Island. 6.00 The Grumbleweeds. 11.55 That's Hollywood.

8.10 Superior Savagery. 8.30 Proms 86
Part 2: Strevinsky (S). 9.30 Mendelssohn: Piano Trio in D Minor Op 49
(S). 10.05 Nesh Ensemble: Mozart,
Wagner, Strauss (S). 11.20 The Jezz
Pianist (S). 11.57-12.00 News.
Medium wave as above saccost
10.55 am-6.30 pm Test Match Species. BBC RADIO 4

PAY LEIETSON and Kurb Arenger, Hotel Berlin, Channel 4, 2 pm

GRAMPIAN

20 pm biffres Strokes, 12.00 am Gus Honeybun's Maols GRANADA

1.00 pm Film: First Man in The Man in The Strokes, 12.00 am Money and Strokes Holling Filling Stroke Holling Filling Strokes Holling Str

SUNDAY

t Indicates programme black and white BBC 1

BBC 1
3.55 am Piay School 9.10 Surrosy
Vertonip 9.55 Commonwestich Games
12.35 pm Farming, 12.59 Westher
12.35 pm Farming, 12.59 Film,
12.55 pm Farming, 12.50 Film,
12.55 pm Farming, 12.59 Westher
12.55 pm Farming, 12.55 Film,
1

Published Up tongon. 9.55 of Records 3.30 The Love Boat 4.30 Woody and Friends. 9.45 Page Makers 5.00 The Cambbel's Rampet 10.00 Moming Worselp 11.00 Co. Moming On 11.30 Reasons 12.00 Co. watch. 12.30 pm Take 22. 1.00 CO. TRAL watch, 12.30 pm Take 22. 1.00 Catwoale, 1.30 Telebras, 2.00 Surveyed of the Fittess, 2.30 News Indicate Film: Suppost stamma Peter ushion, 4,00 Lcol At Me 4,30 The ampbelle 5,00 Attion Minket 6,00 ow You See It 6,30 Novis 6,40 ahway 7,16 Wanger Takes At 7,45 Potent to Epen 8.35 Nerval 8.56 Ward Cup Superstate Sociation Programme Jummy Yourn Talestation Programme 11.45 New tollneed by The high 8th 12.40 am Sharw Express 1.10 Ought CHANNEL 4

2.10 pm Gerdeners' Calendar Road-star 2.35 Up and Coming, 13.05 Film: The Sens Go Down, starting James Master and Termy Innder, 4.45 The Marriage Contract, 6.00 Tour de Franco, 7.23 Newyddon, 7.30 Solwy yn 0 8.00 Kimmaniers, 9.00 By1 Cerdd, 10.00 A Tree Prino Minister's Men 111.00 Film, The Bishop's Wile, starting Gaty Grant Erreita Young and David Niven.

Starring Gens

Starring Habilites

Starring Ha 9.25 am Gardening Time 9.55 Border Diary, 1.00 pm The Prizoninners 1.30 Sammer Outlook, 2.00 Survival 2.30; David Prost Presents the Guinness Book of Records, 3.30 The Leve Boat, 4.30 Paris Makers, 5.00 The Campbolis, 1

CENTRAL 925 am Adventures of The Sign 925 am Adventures of The Sign 925 Jayce And The Wheeled Planners, 1,00 pm Gardening Time 1,30 Film, Stood Alley, statung John Wasne and Lattern Setzel 3,30 Mind Your Lamburge, 4,30 The Fall Guy, 5,30 The Comphesis, 6,00 Albert Market, 11,45 Orms Inc. 12,45 pm Central Jobfinder, CLAAMAGE CHANNEL

B 25 am Westber 9 26 Starting Point 9 25 am Westber 9 26 Starting Point 9 30 Les Français Chez Vous 1.00 pm V. 5 Heritige. 1.30 Candid Camers 2 00 Firm To Sir With Love. 3 55 Point 5 Fisch les 11.45 A Full Life. 12 15 am Westber. Magic 2.00 Fid's Kate, 2.30 Mage!
Magic 2.00 Fid's Kate, 2.30 Mage!
GRAMPIAN
Ray on Taggre 4.40 Escotland Yard,
S15 News and Westner Indiand did
The Mind of David Berglas 6.00 Top:
Smuffs, 1.00 pm

Tors is history Gran, BECI, 9 pm

GRANADA

9.25 am Max The 2000-Year-011 Mouse. 9.35 California Highways. 11.25 App Kas Hak. 11.39 Jim Kim Bell. 1.00 pm Cavid Frost Presents Tha Goinness Book of Records. 2.00 Frim. Kidnapped sterming Michael Caints and Freed House Aso Kas Hak. 11.39 Jm Kim Bell. 1.00 pm David Frost Presents The Goinness Book of Records. 2.00 Film. Sec. 11.30 The South West Week. Sec. 11.30 The South Wes

9.25 am Max The 2000 Year Old Mouse, 3.35 Rebestery, 1.00 pm Cartering Time, 1.30 West Country Farming followed by weather for larmers, 2.00 Film Airport attering Burt Lancaster, Dean Martin and Jecqueline Sisset, 5.00 Thet's My Bey, 5.30 Look At Ma. 6.00 Albido Merket 11.45 The Battle For The Bulge, 12.65 am Weather. 9.25 cm Max The 2.000 Year Old Batrie For Walkes 9.33 Sessme Street, 10.30 Fis Smutts, 1.00 pm Ferming Outlook, 1.30 The Space of Life 2.00 The Prize SCOTTISH



Myrket, 11.65 The World of James My Boy. 4.00 Now You See it. 5.00 Michaner 12.40 am Reflections.

GRANADA

Was A. 11.60 Abiton Market. 11.45 Lets Call. 11.60 Abiton Market. 11.45 Abi Twenty Years On-Them And Us.

Hartor, starring Stewart Granger, Susan Harnochine and James Robertson Jinstee 3.57 Gus Honevbun's Magic Britishays 4.30 Gurdens For All, 5.00 The Comobelle, 5.30 Now You See it. 5.00 Albion Market, 1145 Tim Duck Factory, 12.15 am Postsenet Postbad. 12.20 Weather and Supping Forecast.

TVS
9.25 am Employment Action Line.
9.30 The Smurfe. 1.00 pm Agenda. 1.30
Candid Camera. 2.00 Film To Sir, With Love. pletting address Poiter. Suzy Kondall and Judy Geoson. 3.55 News. 11.45 A Full Line. 12.15 am Company.

ULSTER

11.00 am Getting On. 1.00 pm
Gardening Time. 1.28 Farming
Weather. 1.30 Film: Blool Alley
staming John Wayne and Lauren
Bacall. 3.45 Cartoon. 4.30 The Little
House On The Prairie. 5.30 The
Weather. 1.30 Film: Blood Alley
Campbells. 6.00 Albion Market. 11.45
Sports Results. 11.50 News. YORKSHIRE

9.25 am Cetting On. 11.30 Farming Diary. 1.00 pm The Baron. 2.00 Front Line Evengelist. 2.30 Film: Song Of Morway sterring Robert Morley. Edward G. Robinson and Harry Secombs. 5.00 The Campbells. 5.30 Lock At Me. 6.00 Albion Market. 11.45 Innight. 12.15 am Five Minutes. BBC RADIO 2

(s) Stereo on VMF (a) Stereo on VMF
7.30 am Roger Rayle (s). 3.05
Melodos For You (s). 11.00 Desmand
Cerrington (s). 2.00 pm Commonwealth Games. 3.00 Vernon and
Maryetta Midgley. 8.30 Sunday HalfHour. 9.00 Your Hundred Best Tunes.
10.06 Songs From The Shows. 10.30
The Gespel Truth. 11.00 Sounds Of
The Jazz. 1.00 am Jean Chellis (s).
1.00 A Little Right Music (a). 3.00 A Little Night Music (a).

3.00 A Little (right Music (s).
BEC RADIO 3
7.00 am News. 7.05 Vivaldi's Venice
(S). 8.00 Pierre Fnumier: Beathswen
and Dvorsk (S). 9.00 News. 9.05 Your and Dvorak (5). 9.00 News. 9.05 Your Concert Choice: Respight, Webern, Mahler, Back, Stravnsky: records (S). 10.45 Prom Talk (S). 11.15 Barner and Piano—John Shirlay-Quirk sinas Finzl. Ivan Erod and Ravel (S). 12.20 Faith (S). 11.15 In Committee, pm 88C Weish Symphony Orchestra—Britten (Four See Interfedes). Mendels-Sohn (Violin Concerto, with Mark Kaplan): Schubert (Symphony No 9) (S). 2.15 Spiritusi Laments—Bruhns, Tunder and Weckmann (S). 2.50 Welling of Mark Methods (S). 2.50 Westmann (S). 2.50 Welling of Mark Methods (S). 2.50 Welling of Methods (S). 2.50 Well

pm Farming Outlook. 1.30 Northern Like. 2.60 The Prizewinners. 2.30 Film: Liszt and the Piano (5). 7.30 Lord Taza, Son of Cochisa, staring Jeff Chandler and Rock Hudson, 3.55 News. 5.00 Otherworld. 6.00 Albion Market. Literpool Philharmonic Orchestration of Change Time. 1.28 Farming Weather. 1.30 Film: Blood Allay Staring John Wayne and Leuren Sacali. 3.45 Cartoon. 4.30 The Little House On The Praine. 5.30 The Washer. 1.30 Film: Blood Allay Campbells. 6.00 Albion Market. 11.45 Sennett's Caprice in E Op 22 and music by Haydn (5). 11.57 News. BBC RADIO 4

BBC RADIO 4
700 mm News. 7.10 Sunday Papers.
7.15 Apna Hi Ghar Samajhiya. 7.45
8ells on Sunday, 7.50 Turning Over
New Leaves. 7.55 Weather: Travel. 8.00
News. 8.10 Sunday Papers. 8.15 Sunday Papers. 8.15 Sunday Papers. 9.15 Letter
Minutes.
News. 9.10 Sunday Papers. 9.15 Letter
Minutes.
170m America. 9.30 Morang Service.
10.15 The Archers. 11.15 Pick of the Weak (S). 12.15 pm Deser: Island Discs: Roger Vodim (S). 12.55
Weather. 1.00 The World This Week.
and. 1.55 Shipping Forcest. 2.00
Gaydanera Question Time. 2.30 The Arternoon Play: A Kind of Hallowe'en by Gerry Jones (S). 3.20
More for Love than Morey. 3.30 A Splendid Dispolare (S). 4.00 The Other Orient Engage: 4.30 The Natural History Pasershime. 5.00 News: Travell.
1.505 Down Tour Vay, 6.00 News: Travell.
1.505 Down Tour Vay, 6.00 News: 6.15
Weekend Woman's Hour. 7.00 History (GBSspanne: a ou News: TravOs 5.05 Down Your Way, 6.00 News, 6.15 Weekend Waman's Hour, 7.00 The Light Thar Failed (S) 8.00 A Good Light That Failed (S) 8.00 A Good Read, 8.30 Minior Makers (S), 9.00 A Good A Word in Edgeways, 9.30 Law in Action, 10.00 News, 10.15 The Sunday Feature: Wild Justice (S), 11.00 Seeds of Faile (S), 11.15 Locations

